



CHỨNG KHOÁN GUOTAI JUNAN (VIỆT NAM)  
GUOTAI JUNAN SECURITIES (VIETNAM)

# OUTLOOK

## 2025 INVESTMENT STRATEGY

### Safe Investments Amidst Volatility



## DEFINING KEY MACROECONOMIC THEMES IMPACTING INVESTMENT OUTLOOK FOR 2025

### GLOBALLY,

In the U.S., economic data continues to show a healthy economy, but inflation is rising, threatening the Fed's prospects of cutting interest rates. Indeed, in a recent meeting, the Fed Chairman emphasized that the pace of interest rate cuts would slow in 2025. The base case is a reduction of rates twice. Furthermore, the result of the 47th U.S. presidential election, with Donald Trump's victory, raises concerns about the global trade outlook based on his policies in the new term.

In China, the economy has yet to show signs of strong recovery despite the new policy packages being discussed and implemented in recent months.

The EU region, as well as many other countries, is following the Fed's lead in cutting interest rates to support their economies. However, the pace will likely have to align with the Fed's actions while balancing the pressure from exchange rates as the USD strengthens.

Meanwhile, the persistent geopolitical risks in the Middle East, the Red Sea, Ukraine and Russia, and the Taiwan Strait (China) are also significant headwinds to be mindful of.

### DOMESTICALLY,

Vietnam's economy continues to maintain impressive growth, with an expected GDP growth of 7% in 2024 and 6.0%-6.5% in 2025, driven by key factors such as trade activities, FDI investment, production, and domestic consumption.

The recent efforts by the government in system reforms, strengthening public investment with historic projects such as the North-South High-Speed Railway Project, are expected to open a new era of Vietnam's growth.

At the same time, some short-term headwinds exist, including liquidity shortages in the banking system and pressure on exchange rates and interest rates.

### VIETNAM STOCK MARKET 2025 OUTLOOK

These challenges have somewhat affected the stock market performance in 2024 and are expected to continue into 2025. On the other hand, alongside the country's growth era, the Vietnamese stock market is also on the brink of a breakthrough, driven by the prospects of a market upgrade. In a positive scenario, the VN-Index could reach 1,450 in 2025.

Sources: GTJASVN Research

Open account in 3 minutes  
(Hotline: 024 3577 9999)



## 2025 INVESTMENT STRATEGY: SAFE INVESTMENT AMIDST VOLATILITY

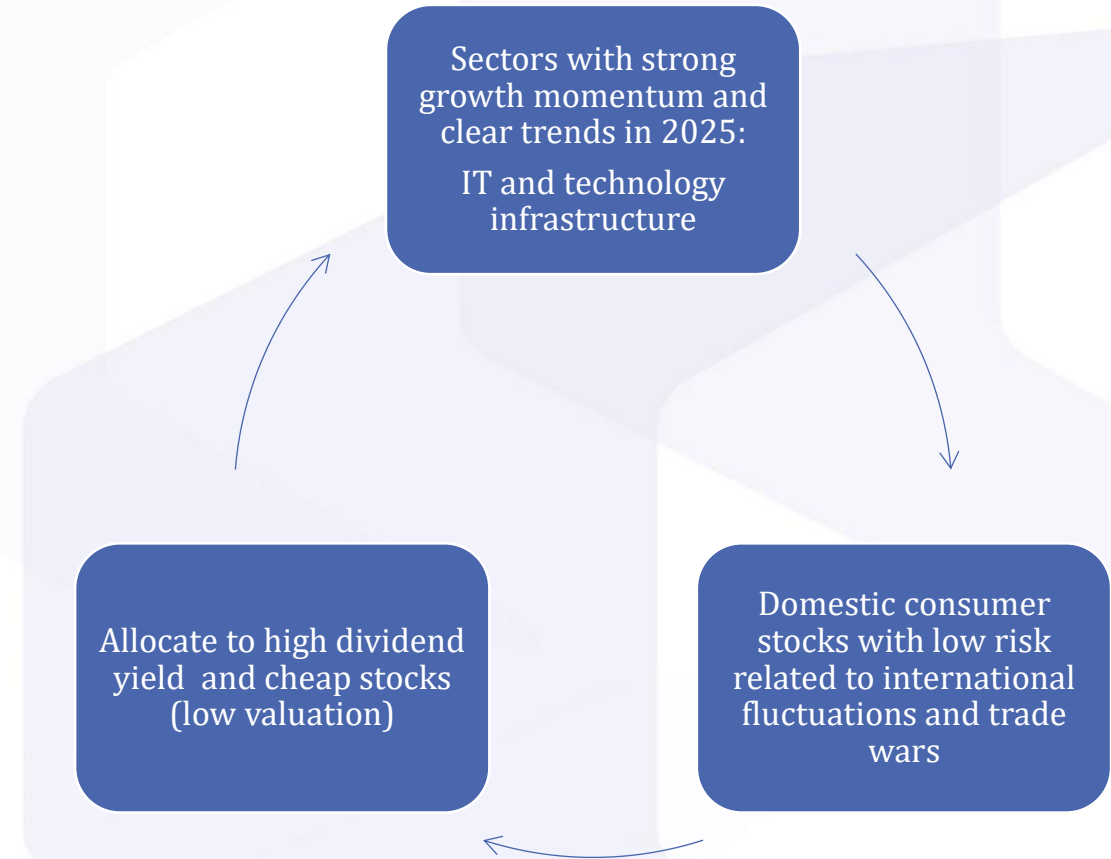
With global uncertainties and potential impacts on Vietnam's economy, we recommend a cautious investment strategy in 2025, combining a Defensive Portfolio and an Offensive Portfolio.

- ✓ For the offensive portfolio, we suggest focusing on sectors with clear trends, such as Technology & Infrastructure and Hydropower.
- ✓ For the defensive portfolio: focus on domestic consumption sectors that are less susceptible to macroeconomic fluctuations and global trade uncertainties. A high dividend stocks portfolio is also a suitable option.

We believe that 2025 is an opportune time to invest with a longer-term view. VNINDEX may be in a mid-term support zone, making it a good time to increase exposure for medium- and long-term holding.

Action - Cautious Approach: Investors should deploy capital when the index adjusts to support levels and avoid FOMO (Fear of Missing Out). We do not encourage active trading in the current uncertain investment environment.

*[\(\\*\) Refer to our Dividend Stock Portfolio here.](#)*



Sources: GTJASVN Research





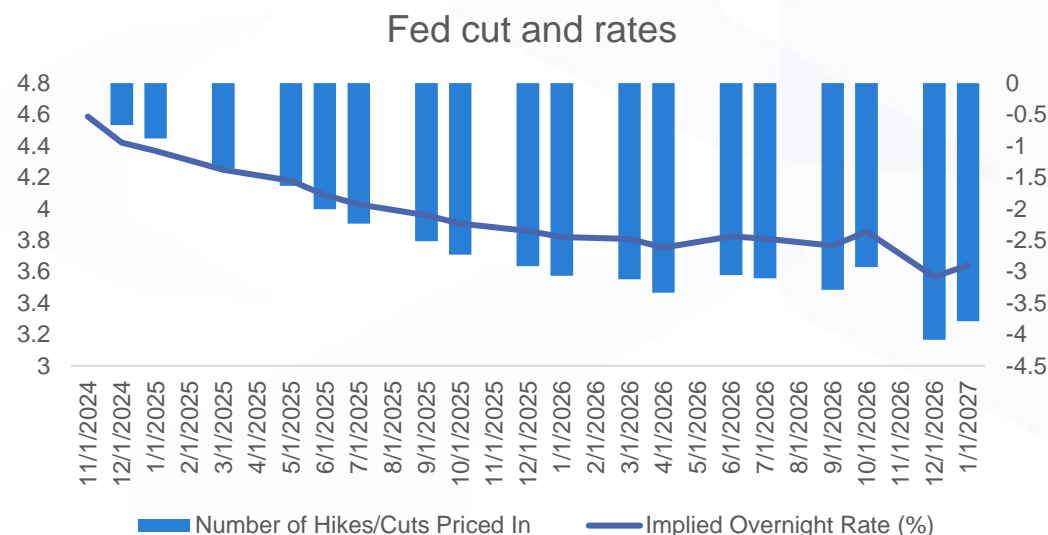
# GLOBAL OUTLOOK

*Sources: GTJASVN Research*



## Loosening monetary policies are supporting global economic growth

### Implied overnight rate and number of hike/cut



Sources: Sandander CIB, Bloomberg, GTJASVN Research

### Modest growth expectations accompanied by lower interest rates

Developed economies					
Real GDP (yoy)	2024E	2025E	Official Interest rates	2024E	2025E
<b>US</b>	2.4%	1.9%	US	4.25%-4.5%	3.25%-3.5%
<b>EU</b>	0.7%	1.0%	EU	3.00%	2.00%
<b>UK</b>	0.9%	1.4%	UK	4.75%	3.50%
<b>Japan</b>	0.0%	1.2%	Japan	0.40%	0.70%
Emerging economies					
Real GDP (yoy)	2024E	2025E	Official Interest rates	2024E	2025E
<b>Brazil</b>	3.0%	1.5%	Brazil	11.75%	10.50%
<b>Mexico</b>	1.5%	1.2%	Mexico	10.00%	8.00%
<b>Chile</b>	2.5%	2.5%	Chile	5.00%	4.50%
<b>Poland</b>	3.0%	3.5%	Poland	5.75%	4.50%
<b>China</b>	4.8%	4.5%	China	1.50%	1.20%
<b>India</b>	8.2%	6.9%	India	6.25%	5.75%

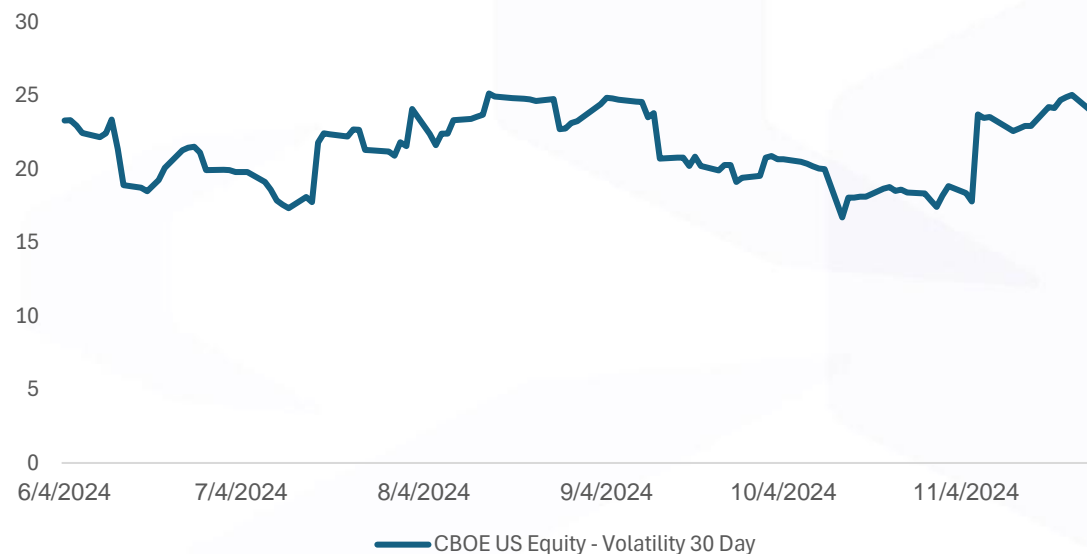
At its December 2024 meeting, the Fed decided to cut interest rates by 25bps, marking the 3<sup>rd</sup> rate cut in this easing cycle. Other central banks, such as the ECB, BoE, and PBoC, have also lowered or maintained their policy rates at low levels to support economic growth.

This provides monetary policy room for emerging economies and stimulates investment flows.

However, U.S. interest rate policy remains uncertain, with pressure for further cuts during Trump’s new term. Early signs of recovering inflation, along with growth projections exceeding trends in the next quarter or longer, will be crucial over the next 6 to 12 months as the Fed prepares to slow the pace of rate cuts in 2025.



## Concerns over ongoing geopolitical tensions

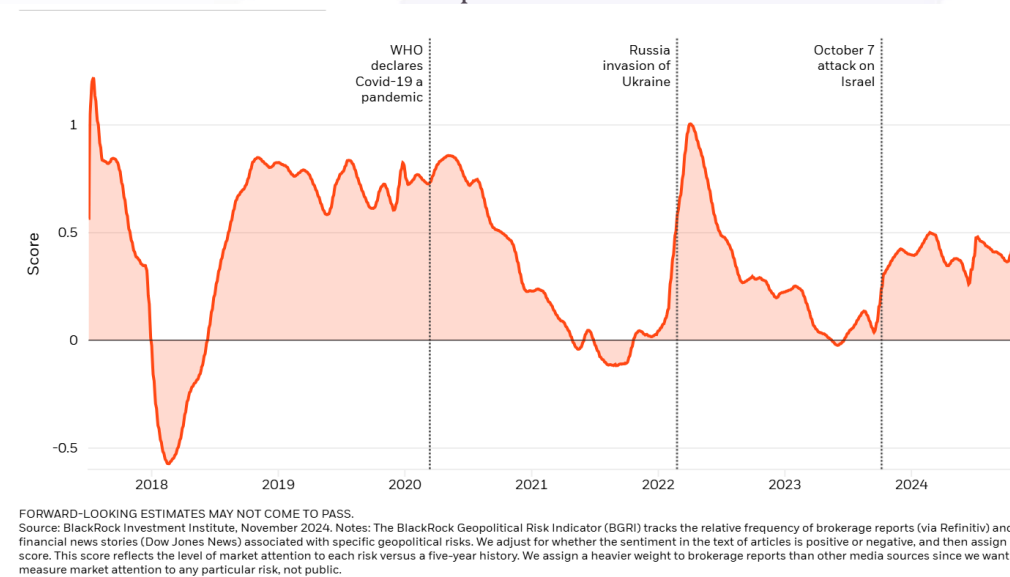


**U.S. President Donald Trump's trade protectionism policies are expected to continue disrupting global trade flows.** However, we assess that the impact will not be as significant as during his first term in the White House.

Nevertheless, the policy focuses on imposing high tariffs on countries with large trade surpluses with the U.S., particularly China, Mexico, and Canada. Most recently, in late November before officially taking office, Trump announced his commitment to impose a 25% tariff on all products from Mexico and Canada starting from his first day in office, and a 10% tariff on goods from China.

[Check out our special report on Trump's policies and their impact on Vietnam here.](#)

## BlackRock Geopolitical Risk Indicator



Geopolitical tensions in the Middle East are expected to ease during Trump's term.

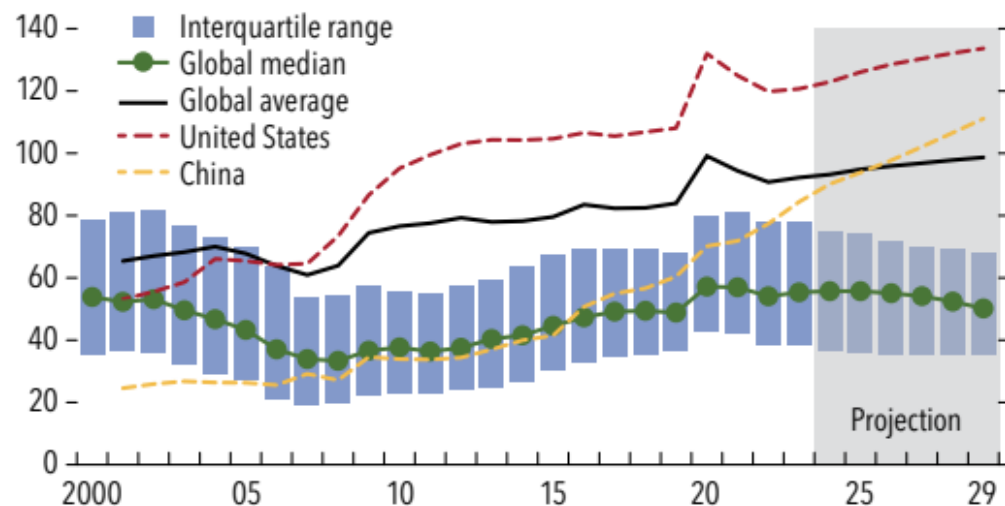
However, the conflict between Russia and Ukraine, as well as geopolitical tensions in the Taiwan (China) region, continue to pose security risks and disrupt global economic growth.

Sources: Bloomberg, Blackrock, GTJASVN



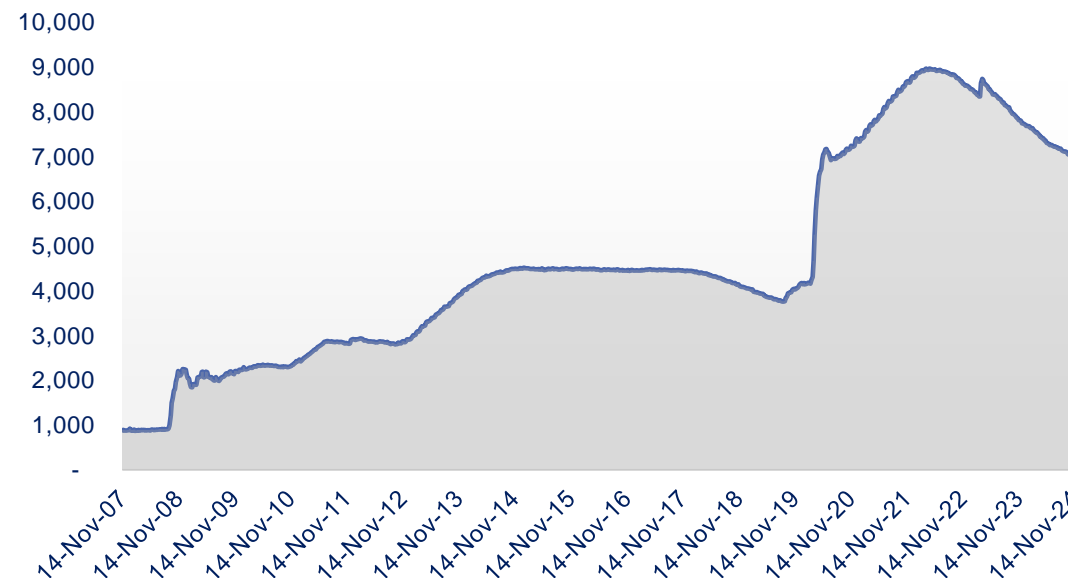
## Rising concerns over escalating global public debt and central banks' balance sheet recession

Public debt to GDP ratio (%)



Source: IMF, World Economic Outlook database.

Fed Total Assets in USD bn



**Global public debt has reached alarming levels and is forecasted to continue rising, raising concerns about global economic security.**

**Meanwhile, concerns about central banks' balance sheet reductions affecting global liquidity are eased by the rate cuts.**

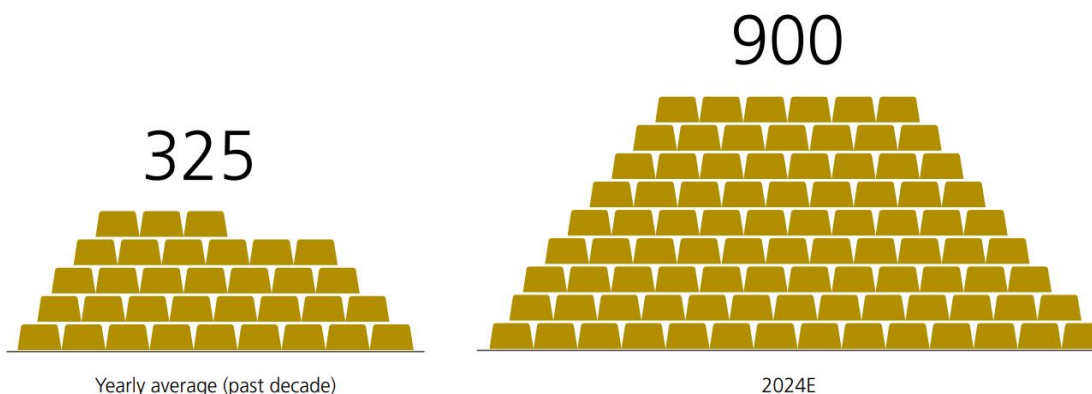
Sources: IMF, Bloomberg, GTJASVN Research



## Capital continues to flow into safe-haven assets like gold

Central banks' demand for gold has supported gold prices

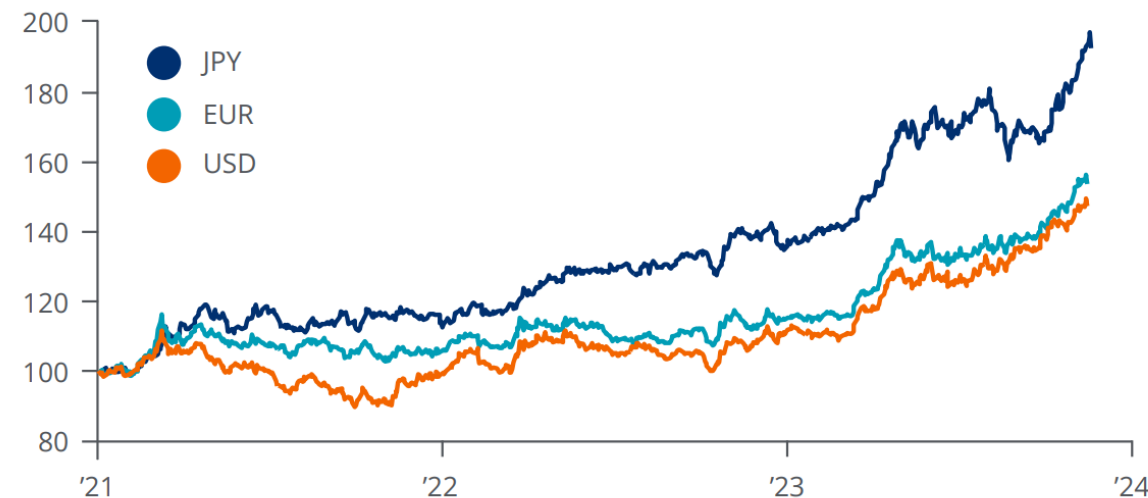
Purchase of gold by central banks, in metric tons



Sources: IMF, World Gold Council, UBS, as of November 2024

### GOLD HAS OUTPACED MAJOR CURRENCIES, ESPECIALLY THE YEN

Gold price index, 100 = 2021



Source: FactSet. Data as of October 31, 2024.

**Gold prices are forecasted to continue rising in 2025 and may approach the 3,000 USD/ounce mark due to increased investment and hoarding demand amidst global economic uncertainty, as well as the growing trend of central banks buying gold for their national reserves.**

Sources: IMF, UBS, GTJASVN Research



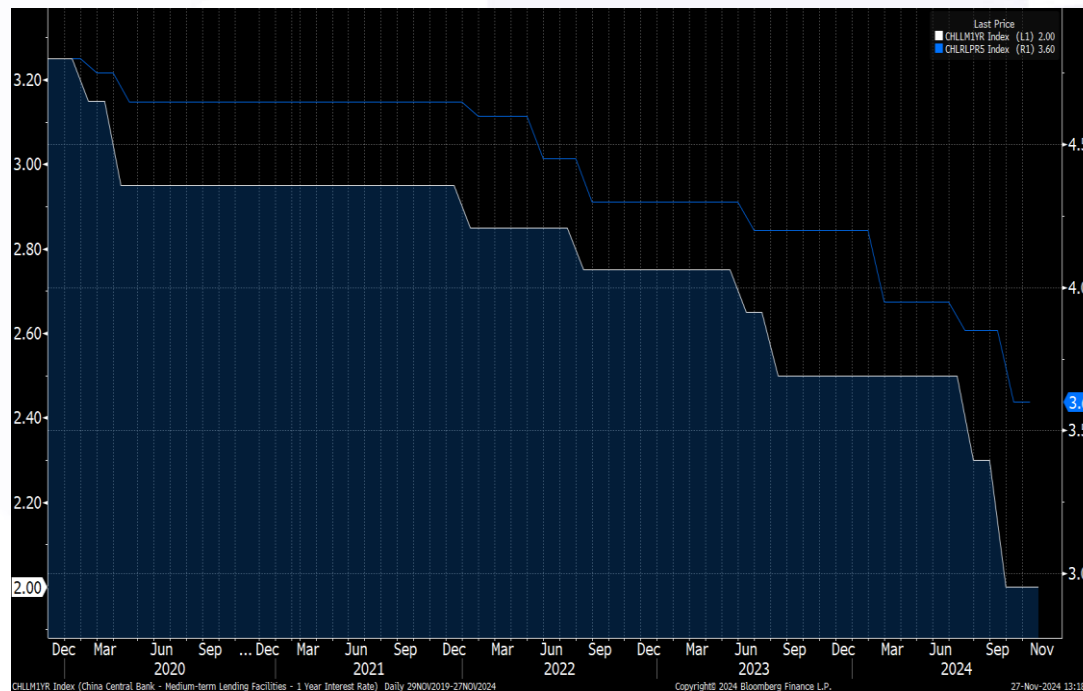


## The growth prospects of China's economy still face many obstacles

### China Economic Forecast

Indicator	Actual				Forecast					
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
<b>Economic Activity</b>										
Real GDP (yoy)	6.9	6.7	6	2.2	8.4	3	5.2	4.8	4.5	4.1
Fixed Asset Investment (yoy)							3.5	3.8	4.2	3.9
Industrial Production (yoy)	6.6	6.1	5.8	5.1	6.7	3	4.8	5.4	4.5	4.2
Retail Sales (yoy)							7.6	3.6	4.5	4.2
<b>Price indices</b>										
CPI (yoy)	1.6	2.1	2.9	2.5	0.9	2	0.2	0.4	1.1	1.5
PPI (yoy)							-3	-2	-0.1	1.1
<b>Labor Market</b>										
Unemployment (%)		4.9	5.2	5.2	5.1	5.5	5.2	5.1	5.1	5
<b>External Balance</b>										
Current Account (% of GDP)	1.5	0.2	0.7	1.7	2	2.5	1.8	1.3	1.2	1
Export Trade (yoy)							-4.6	4.7	3	3
Import Trade (yoy)							-5.3	2	2.7	2.8
<b>Fiscal Balance</b>										
Budget (% of GDP)	-3.7	-4.1	-4.9	-6.2	-3.8	-4.7	-4.6	-5	-5.5	-5.4
<b>Monetary Sector</b>										
Money supply (M2, yoy)							11.2	7.2	8	7.5
<b>Interest Rates</b>										
1-y best lending (%)			4.15	4.85	3.8	3.65	3.45			
3-Month Rate (%)	4.91	3.35	3.02	2.76	2.5	2.42	2.53	1.84	1.54	1.6
2-Year Note (%)	2.75	2.76	2.63	2.71	2.36	2.34	2.2	1.53	1.38	1.35
10-Year Note (%)	3.9	3.31	3.14	3.15	2.78	2.84	2.56	2.1	2.04	1.87
<b>Exchange Rates</b>										
USDCNY	6.51	6.88	6.96	6.53	6.36	6	7.1	7.2	7.25	7.1

### China MLF interest rate



Sources: Bloomberg, GTJASVN Research

In addition to the impact of the prolonged real estate crisis, China's economy faces greater pressure from U.S. tariffs in 2025. China has recently announced several policy packages to stimulate economic growth, but the outlook remains unclear. The effect of declining asset values on domestic consumption still lacks a solution. Furthermore, China's government has made notable efforts to support the economy and drive the domestic stock market, with measures announced in September 2024. These efforts also provided a boost to China's stock market recovery starting from late September.



## Will the U.S. economy remain strong under Trump's second term?

**PCE inflation, monthly annualized**

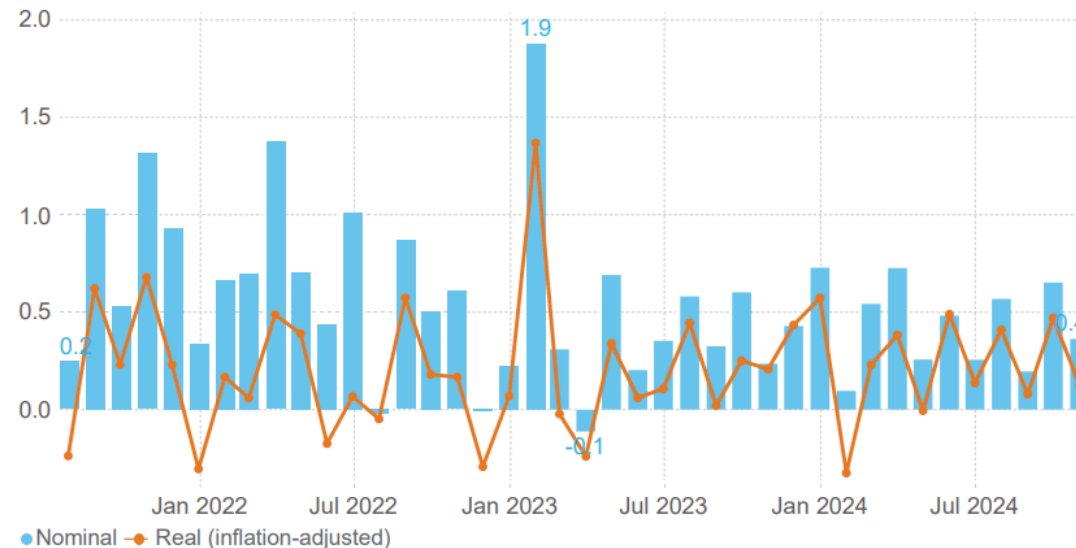
Seasonally adjusted; in percentages



Source: BLS, RSM US

**U.S. personal spending**

Monthly percentage change



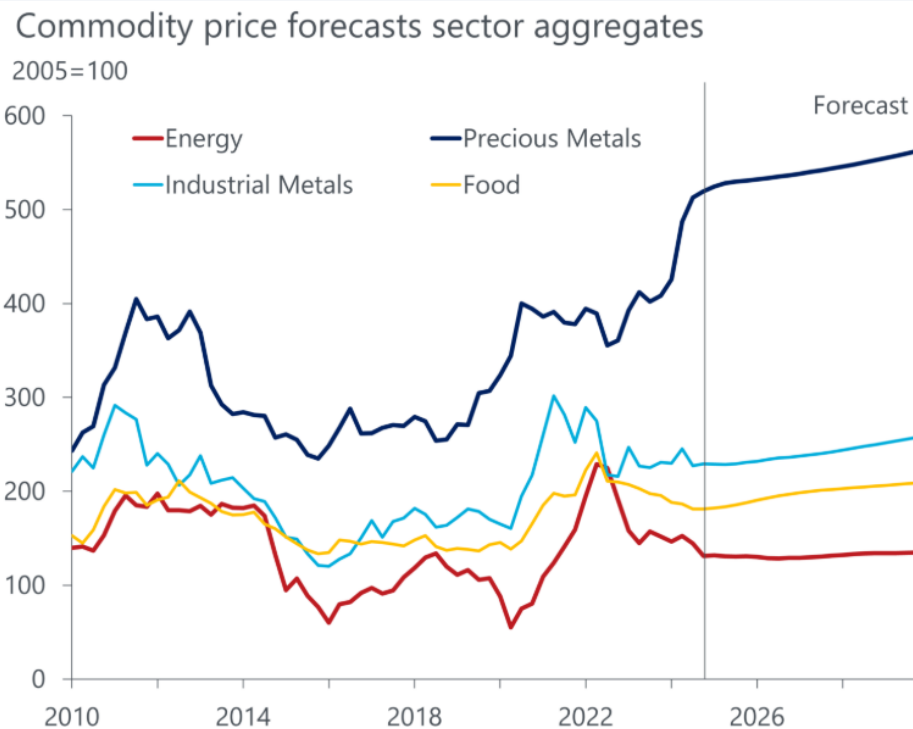
Source: BEA, RSM US

**Policies under President Trump's second term are expected to have a mixed impact on the U.S. economy. On one hand, business conditions will be eased for companies, and workers' income could improve due to tax cuts. On the other hand, protectionist trade measures could increase inflationary pressures in the country.**

Sources: GTJASVN Research



## Commodity price trends in 2025



Source: Oxford Economics

### OCEAN MARKET PREDICTIONS FOR 2025

## 2025 Is Expected to Continue the 2024 Trends (Volatility) Although New Capacity Influx Will Ease Situation



Sources: data derived from Sea Intelligence, Flexport Analysis

**The oversupply situation is expected to persist across most consumer and industrial commodities in 2025. OPEC is projected to increase production in 2025, while tensions between Israel and Lebanon ease, putting pressure on oil prices.**

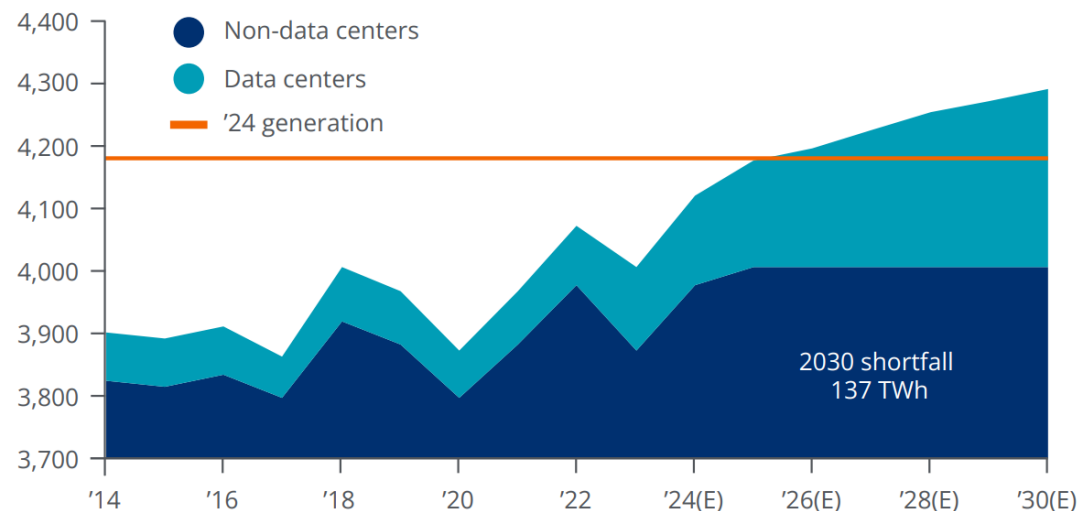
**On the other hand, shipping rates are expected to remain a key issue, with forecasts indicating a continued upward trend in 2025.**



## Trends in technology and infrastructure investment

### DATA CENTERS COULD IGNITE A SURGE IN POWER DEMAND

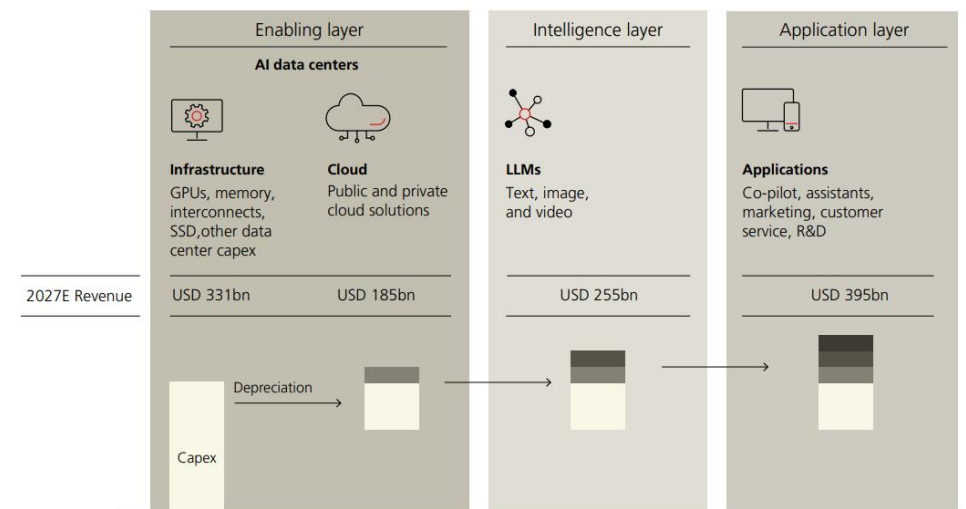
U.S. power demand and 2024 generation capacity, TWh



Sources: EIA, McKinsey & Company, Public Power, Bernstein. Data as of December 31, 2023.

### The AI market opportunity: a bottom-up perspective

Estimated 2027 revenue in each layer of the AI value chain



Sources: Bloomberg, UBS, as of November 2024

**Deep integration into the global technology value chain brings immense benefits to corporations and companies involved in the supply ecosystem.**

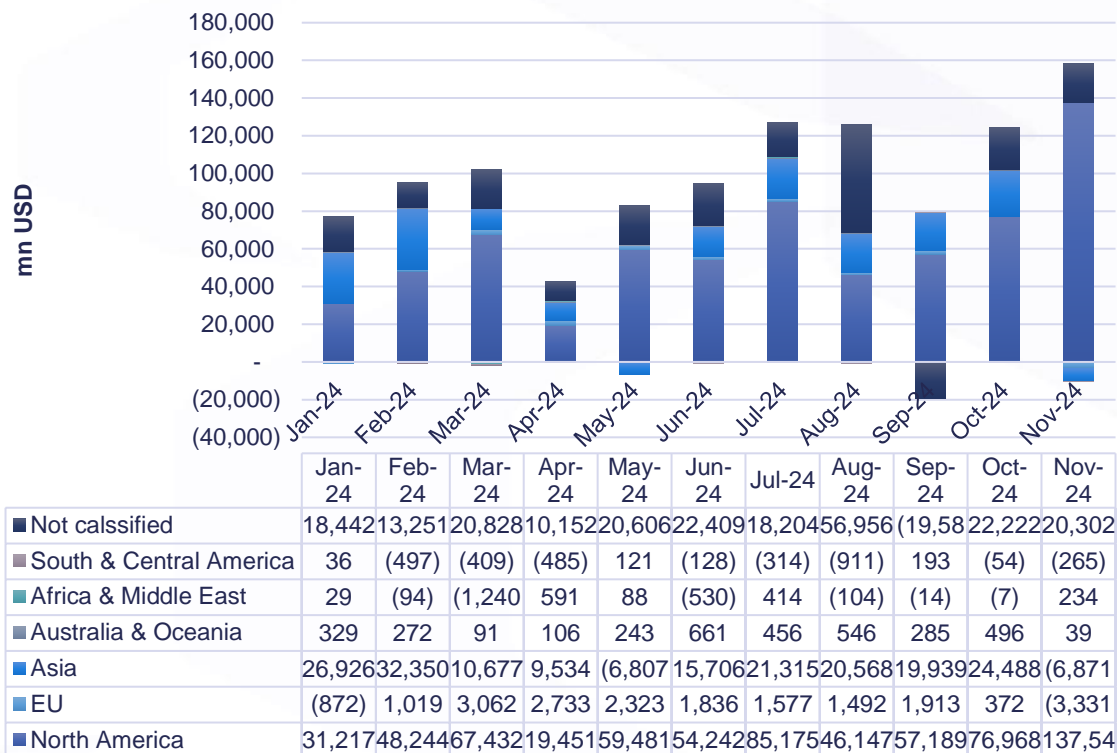
**The demand for electricity to power data centers, along with the trend of investing in renewable energy to meet ESG standards, is no exception.**

Sources: GTJASVN Research

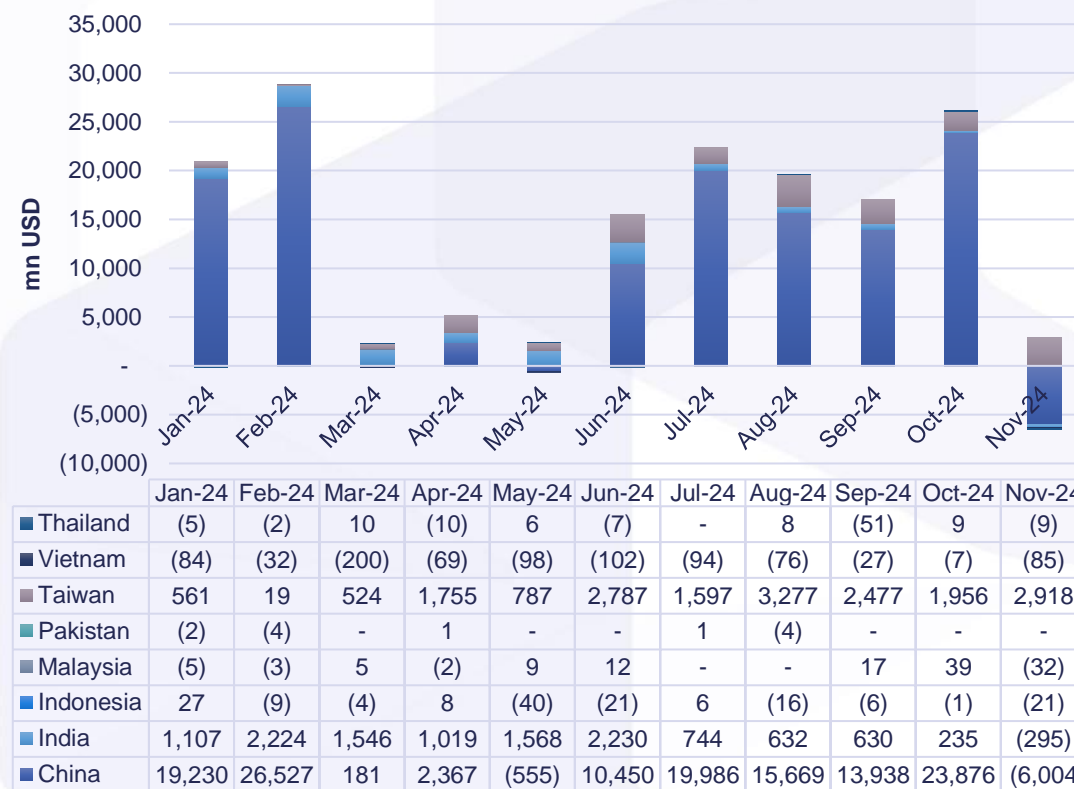


## Global equity investment flows

Global- ETF Fund Net Inflow in 2024 by region



Asia Region - ETF Fund Net Inflow in 2024



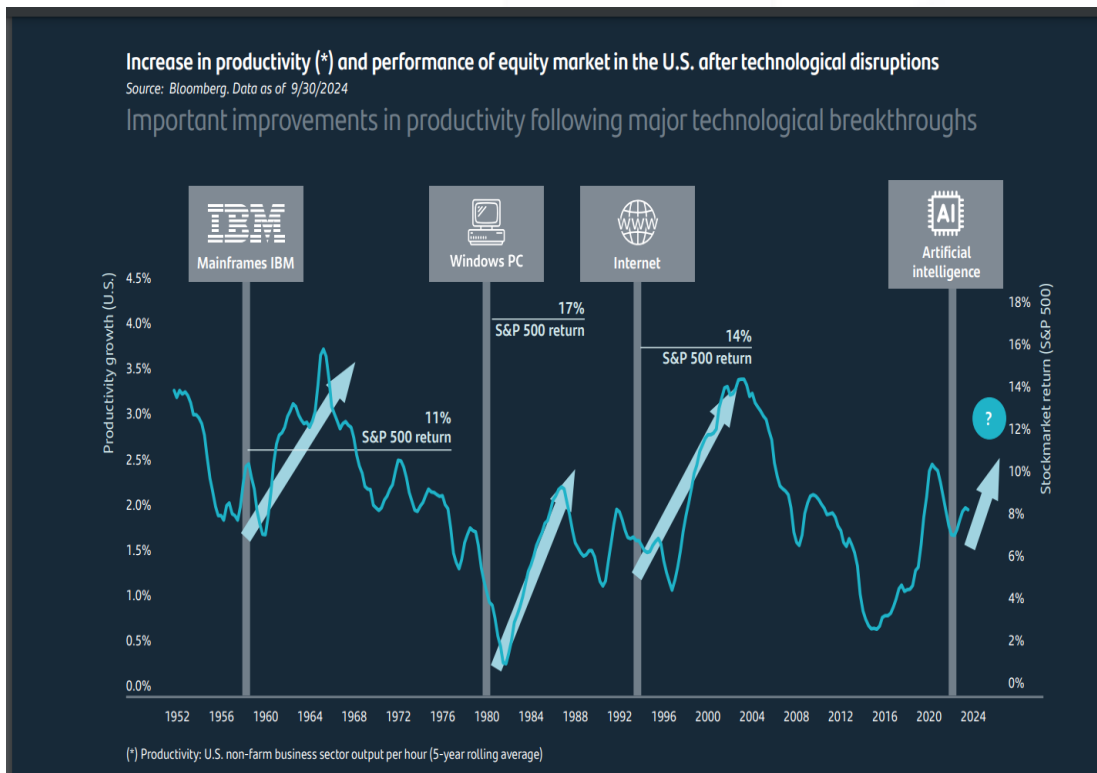
Equity ETF flows remain concentrated in major markets, particularly the U.S. Meanwhile, in Asia, markets in China, Taiwan (China), and India are attracting short-term investment flows.

Sources: GTJASVN Research



## The U.S. stock market is being led by strong capital inflows into the technology sector

## In 2025, the Chinese stock market could still be a bright spot, thanks to policies prioritizing the development of the capital markets.



**The S&P is expected to reach 6,600 points in 2025, led by the Mag7 group as the key pillar. While technology improves performance, a massive amount of capital invested in technology with an unclear profit outlook could be a potential risk, leading to a market correction.**

Sources: GTJASVN Research

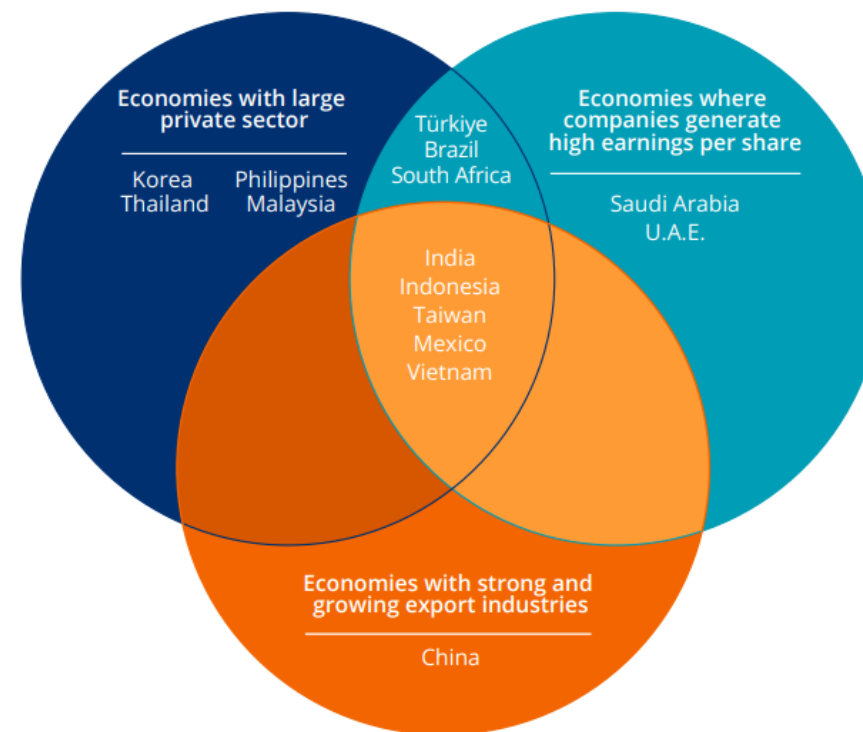


## Asset allocation is the key

- ✓ However, in 2025, amidst unpredictable market fluctuations, many safe-haven investment channels will still be prioritized, including gold, hedge funds, and alternative investments such as real estate and commodities.
- ✓ Equity investments will also receive strong support, particularly in the U.S. On the other hand, in emerging markets, investment flows will be selectively directed toward fast-growing economies with promising prospects for attracting capital.

## SELECTIVITY IS IMPORTANT WHEN INVESTING IN EMERGING MARKETS

A framework for emerging markets investing



Source: J.P. Morgan Wealth Management.

Sources: JP Morgan Wealth Mgt, GTJASVN Research





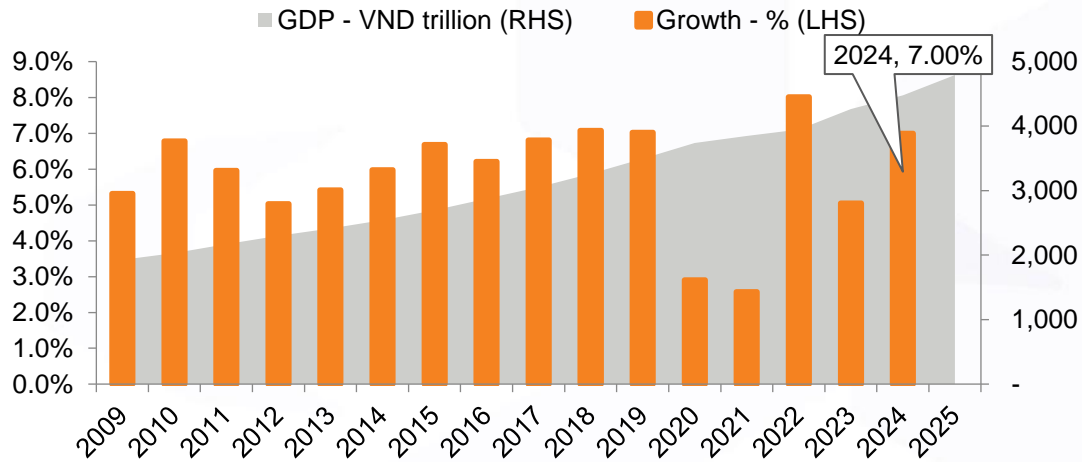
# A Look Back at Vietnam's Economy in 2024

*Sources: GTJASVN Research*

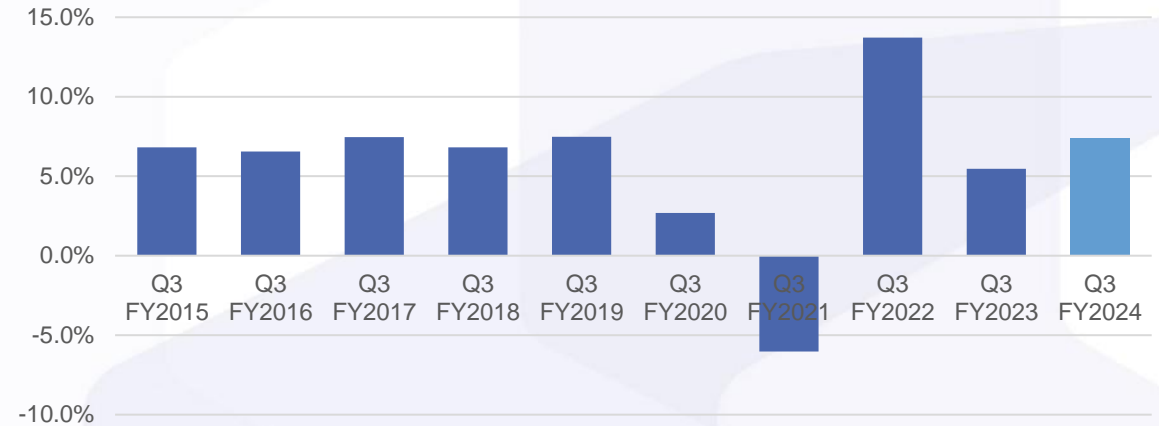




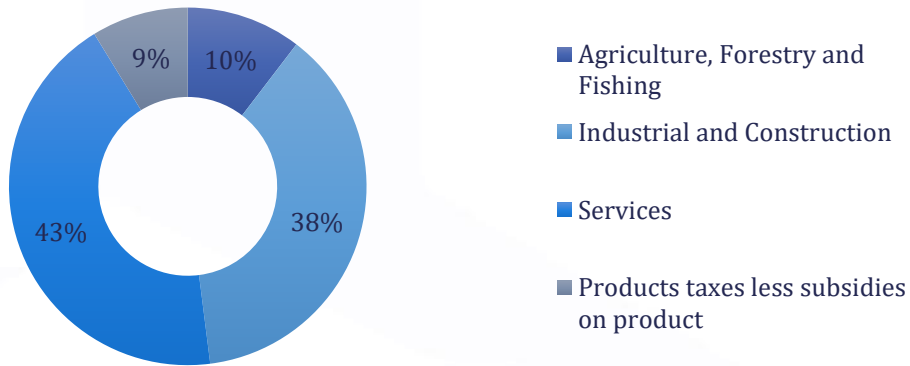
## High GDP Growth



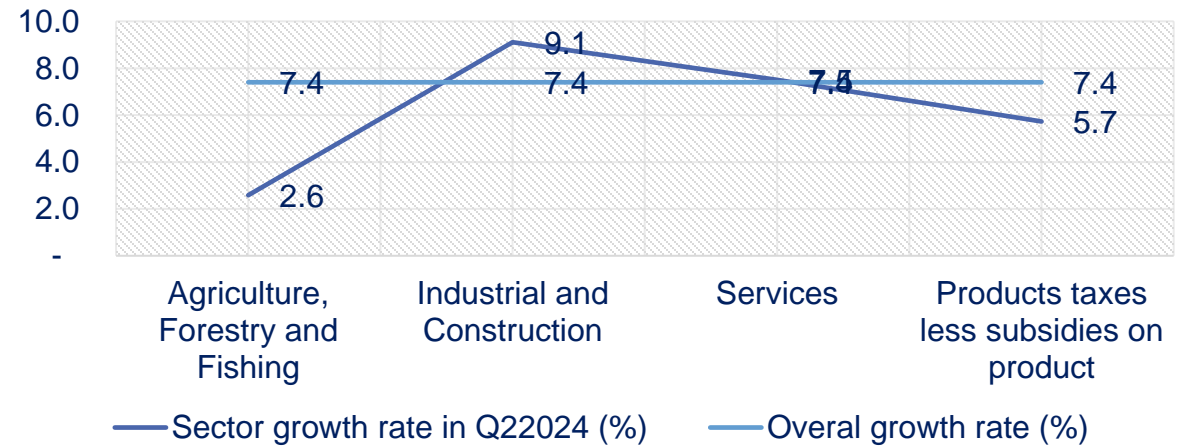
## Quarterly GFP growth(%)



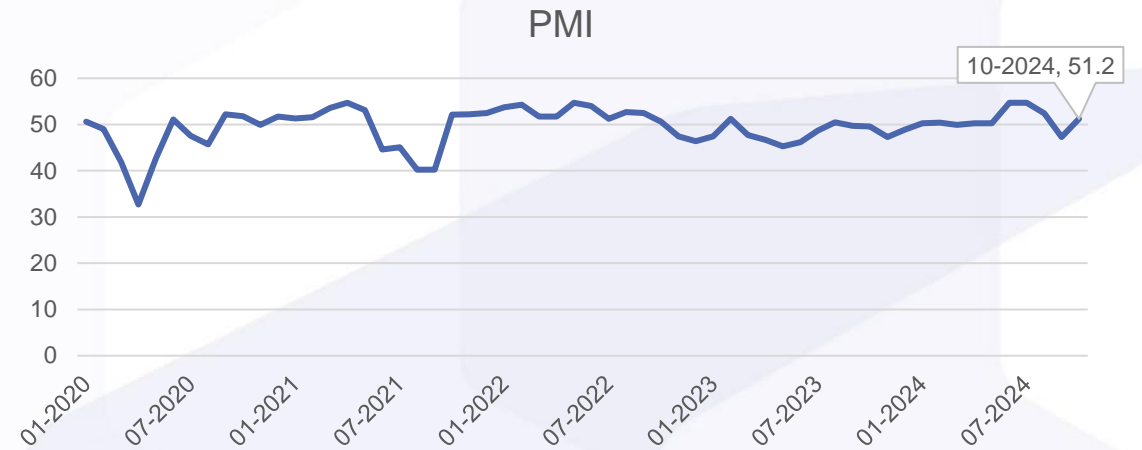
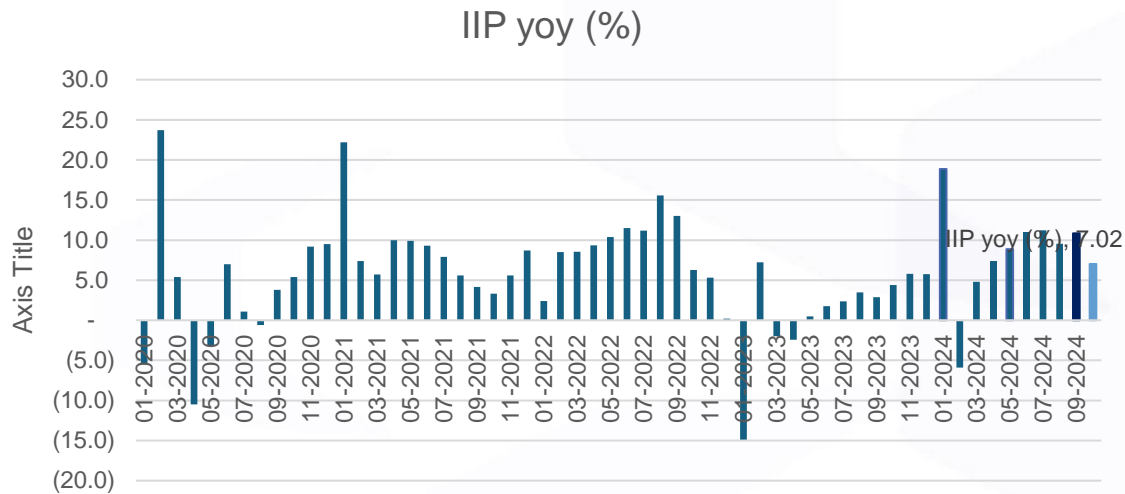
## GDP by sector(%)



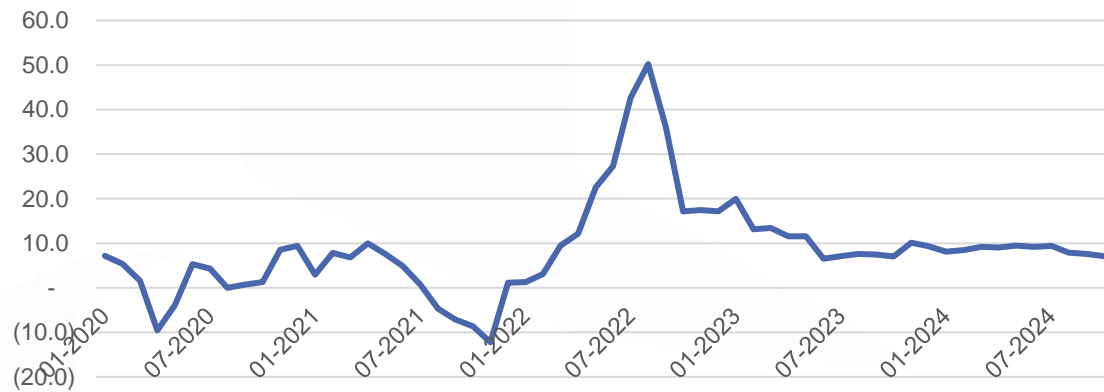
## Sector GDP Growth in Q3.2024



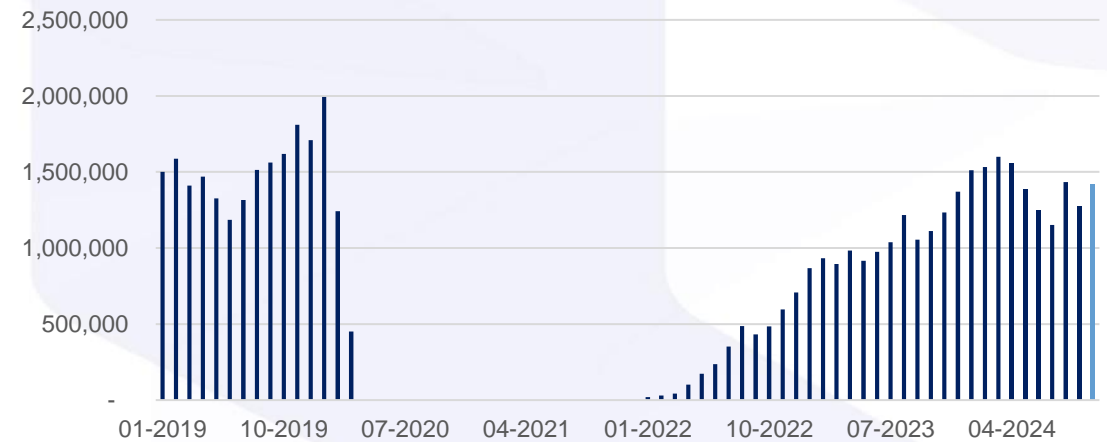
## Industrial production rebounded in 2024, with the PMI expected to continue expanding



### Total growth of retail sales of goods & services moderately increase (%)

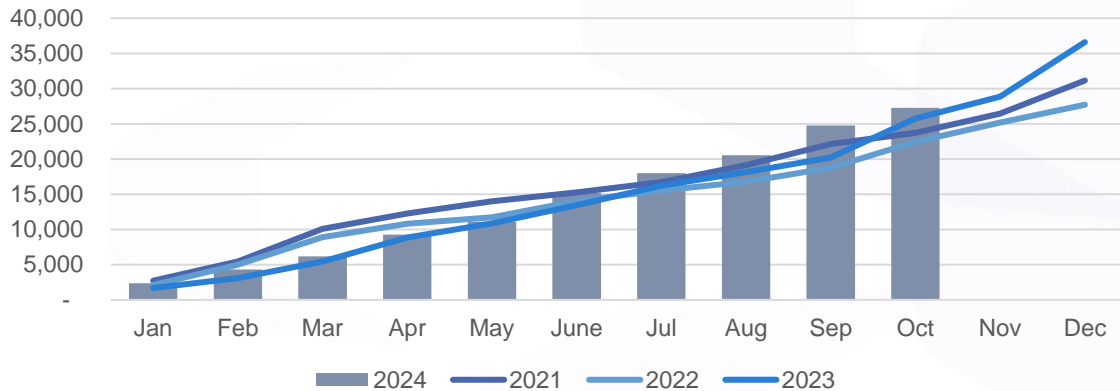


### Foreign visitors recovered to near pre-covid 19 high



## Vietnam remains a top destination for FDI, with both new registered FDI and disbursement reaching record levels.

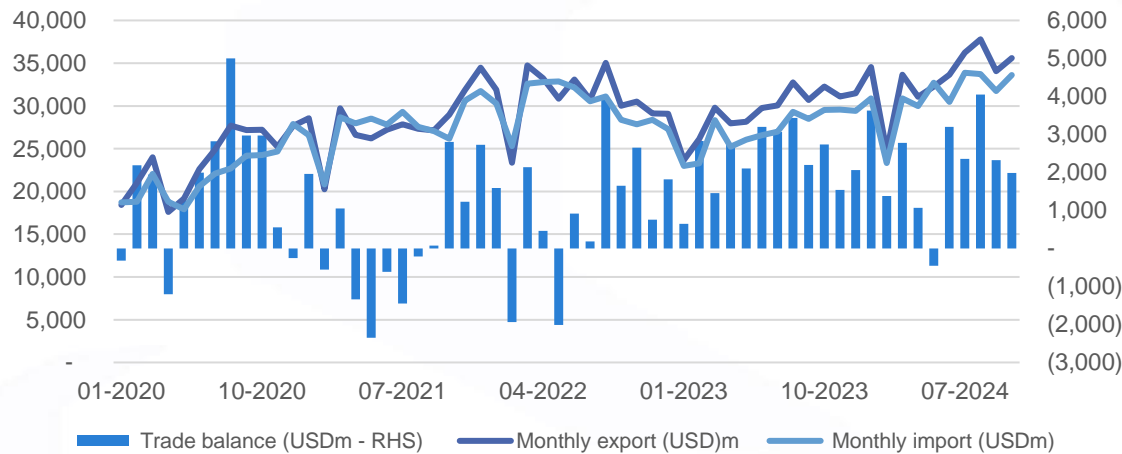
Accumulated FDI registered (USDm)



Accumulated FDI realized (USDm)



Monthly import - export value (USDm)

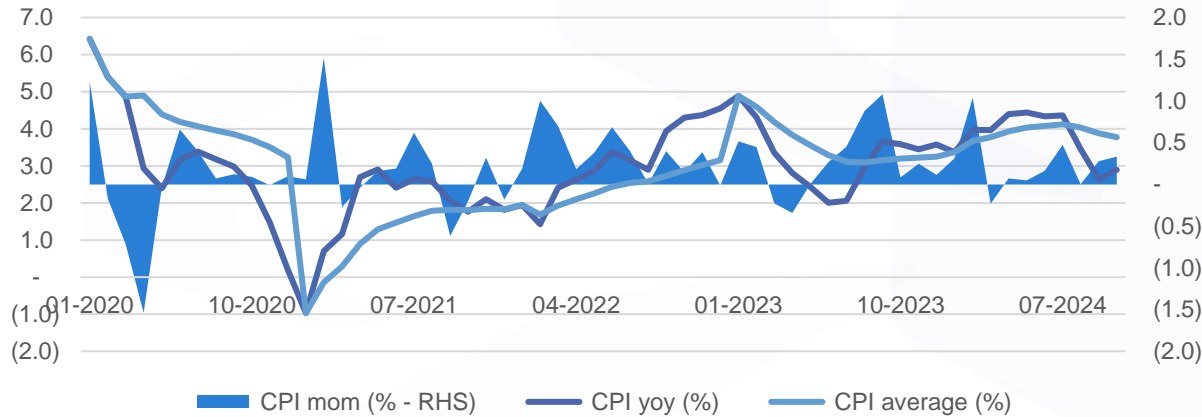


Import & export growth (%)

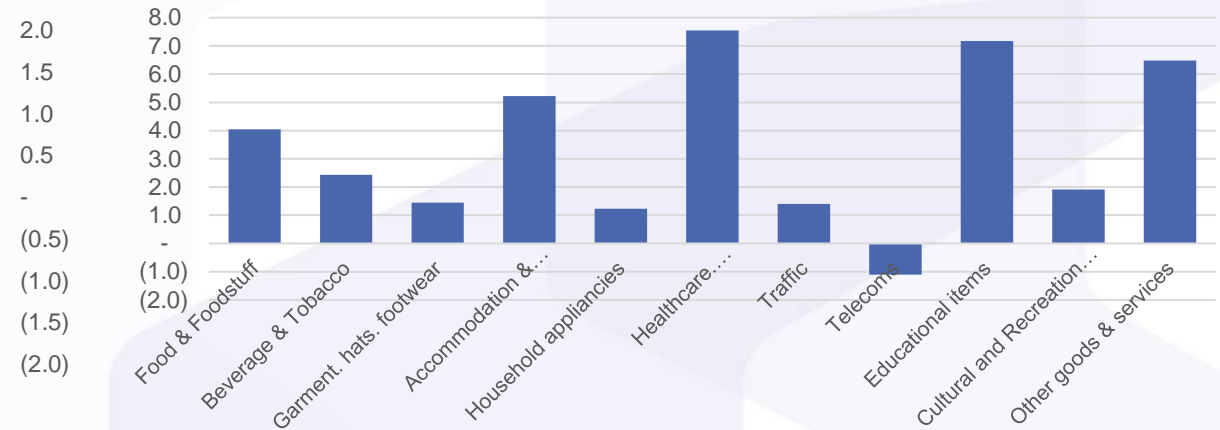


## The flexible monetary policy strikes a balance between interest rates and inflation control, driving economic growth.

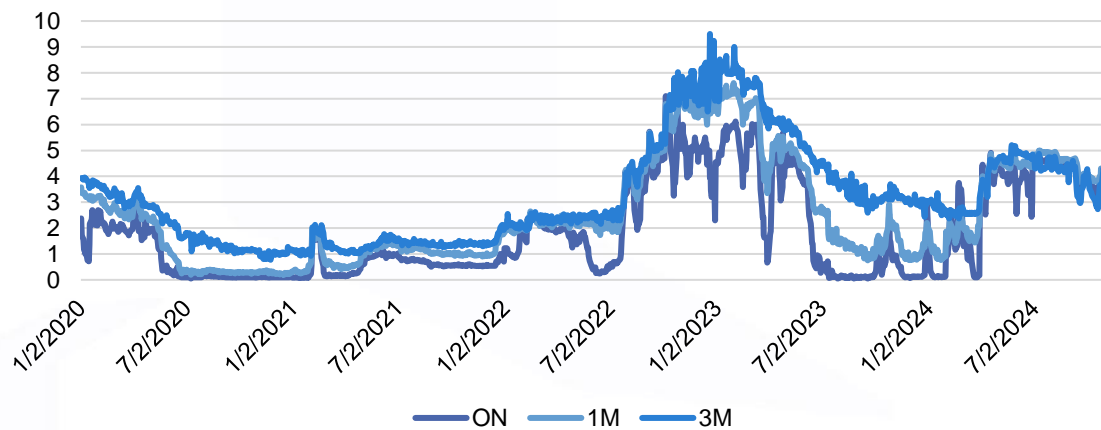
### Consumer Price Index (%)



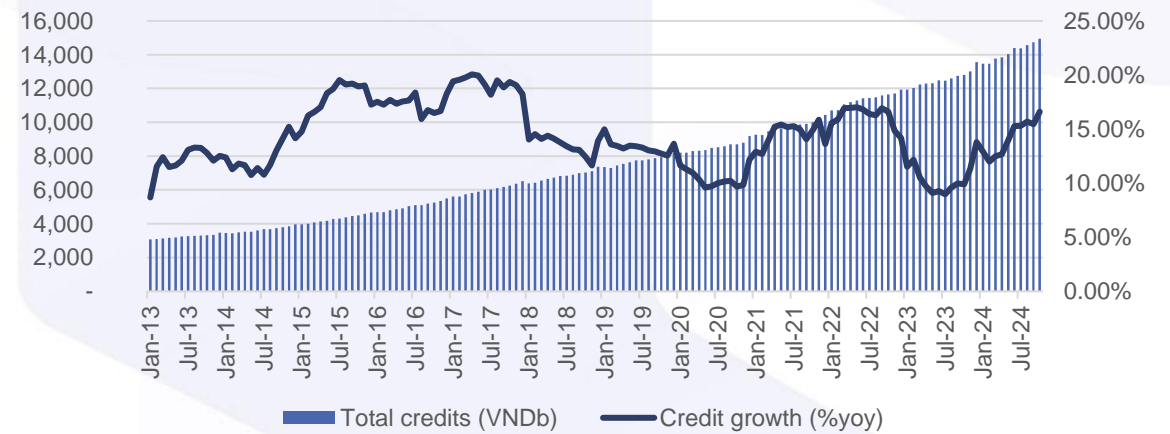
### Inflation components 10m2024 (%)



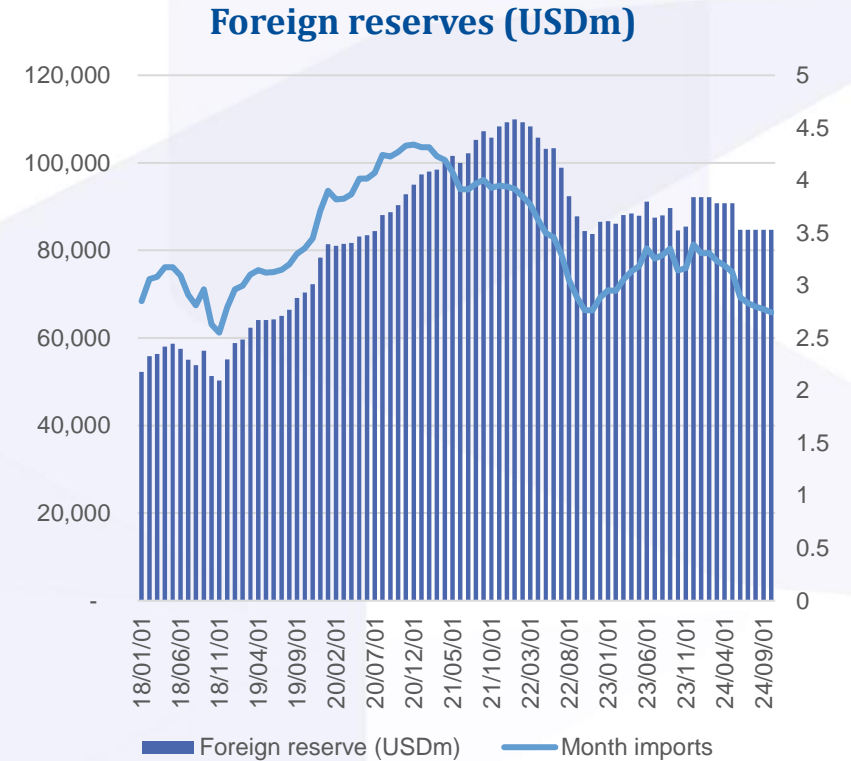
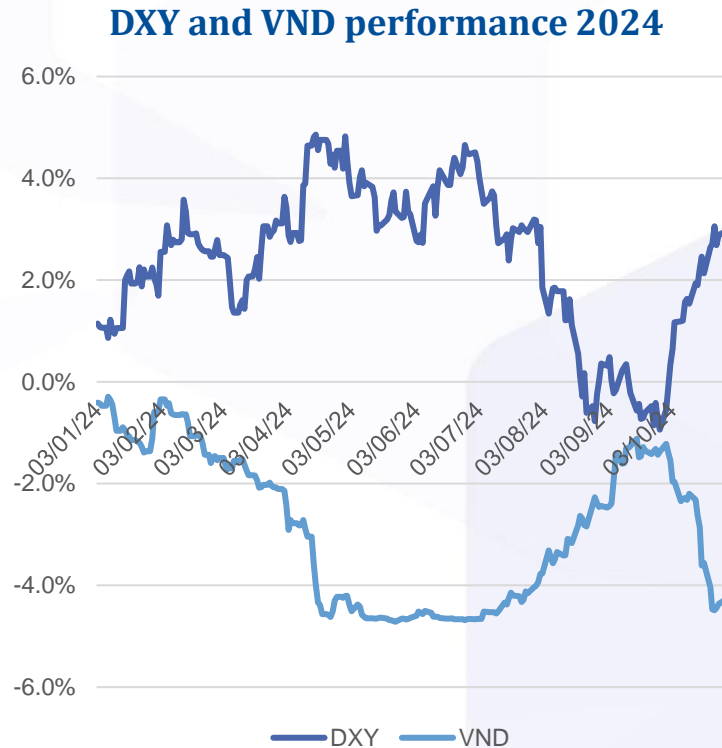
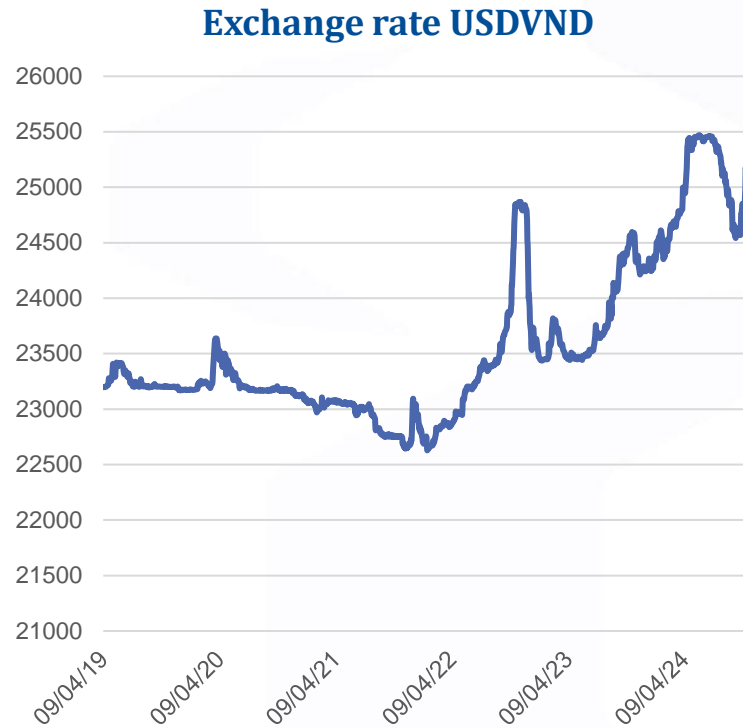
### Vnibor reference rate (%)



### Outstanding credit & growth



The exchange rate continues to face pressure in 2024. However, the depreciation of the VND follows the general trend of other currencies amidst a strong USD.



Exchange rate pressure rises towards the end of the year after cooling down following the Fed's first interest rate cut. Meanwhile, Vietnam's foreign exchange reserves are slightly below the equivalent of three months' worth of imports.

Sources: GTJASVN Research





# VIETNAM STOCK MARKET OUTLOOK FOR 2025

*Sources: GTJASVN Research*



**Vietnam's stock market is expected to see positive growth, particularly from Q2 2025, driven by:**

### 1/ High GDP Growth

- The economy is maintaining its growth momentum, with GDP growth in 2025 expected to reach at least 6%-6.5%

### 2/ EPS Growth Reach 17%

- EPS is estimated to increase by 17% in 2025, bringing the market-wide P/E ratio to an attractive valuation (roughly 10.x)

### 3/ Market upgrades

- A large influx of capital is expected to flow into Vietnam's stock market following its upgrade.

### 4/ Easing geopolitical concerns

- New policies under the US President's term are gradually being revealed, booting investor confidence in making investment decisions.

Sources: GTJASVN Research

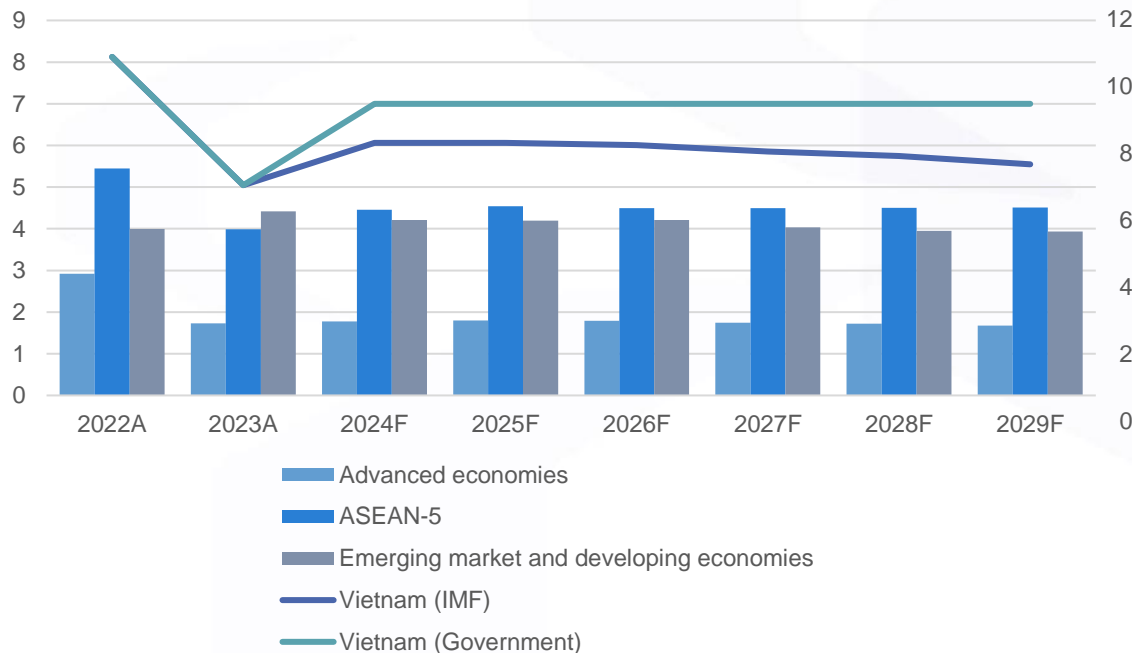
Open account in 3 minutes  
(Hotline: 024 3577 9999)



# 1/ A solid macro foundation: Strong GDP Growth



The IMF's GDP growth forecast compared to Vietnamese government's target



The IMF's forecast for the Consumer Price Index (CPI) compared to the Vietnamese government's target



Vietnam's economic growth is projected to surpass other countries in the next five years, with the government's growth target set higher than the IMF's forecast. Industrial production, trade, and public investment are expected to be the main drivers of Vietnam's economy in 2025.

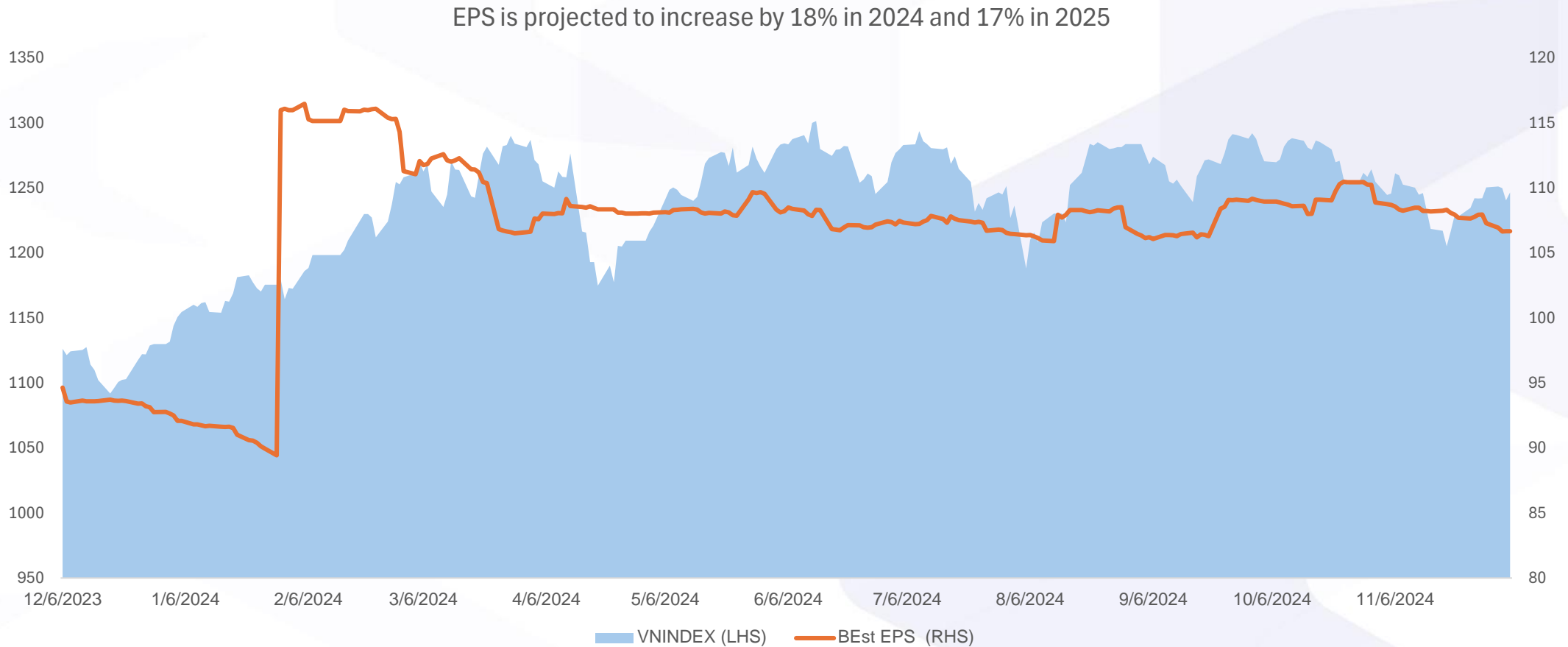
Inflation is expected to be similar to that of other emerging markets, higher than the inflation rates of developed economies and the ASEAN-5. However, inflation will remain within the target set by the State Bank of Vietnam (SBV), which means the need for intervention will likely be minimal. Additionally, the IMF's forecasts tend to be higher than Vietnam's actual inflation. Therefore, actual inflation from now until 2029 may be lower than the IMF's projected 3.4%.







EPS is forecasted to grow by 17% in 2025, bringing the forward P/E ratio for 2025 to an attractive valuation (around 10x)



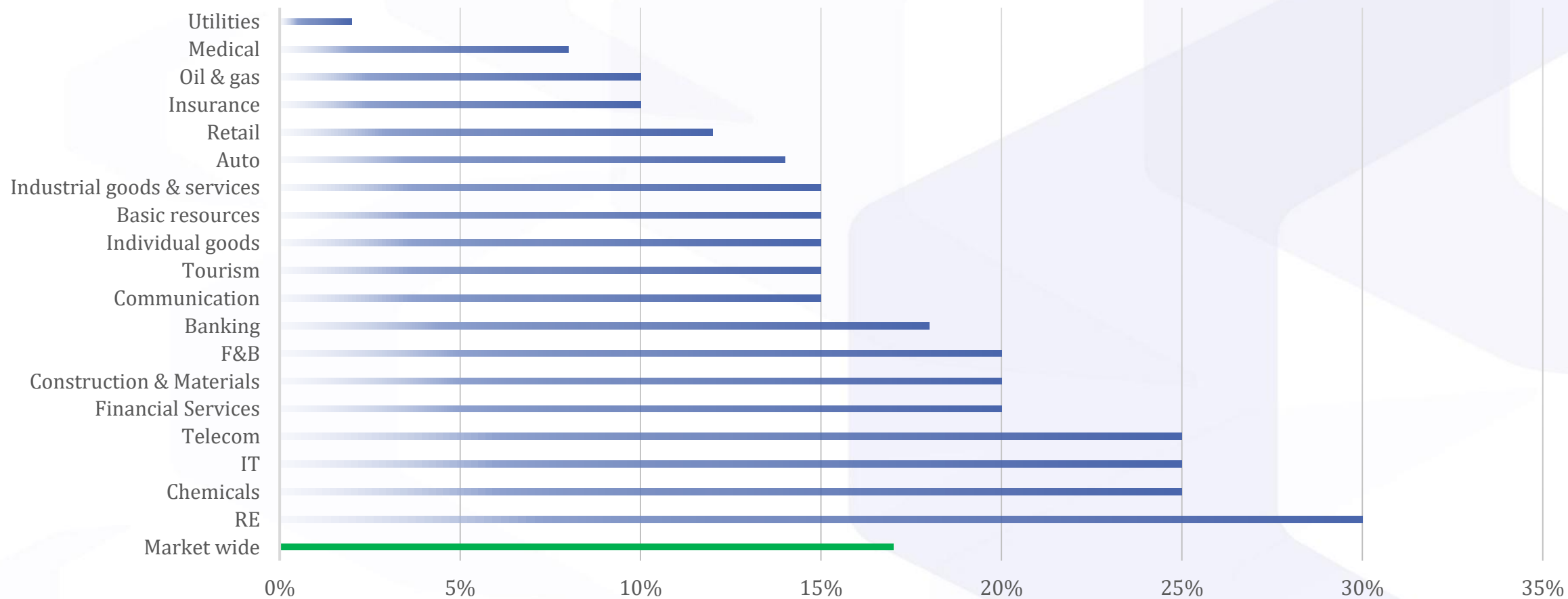
Sources: Bloomberg GTJASVN Research

Open account in 3 minutes  
(Hotline: 024 3577 9999)



EPS is forecasted to grow by 17% in 2025, bringing the forward P/E ratio for 2025 to an attractive valuation (around 10x).

### ESTIMATED PBT GROWTH IN 2025



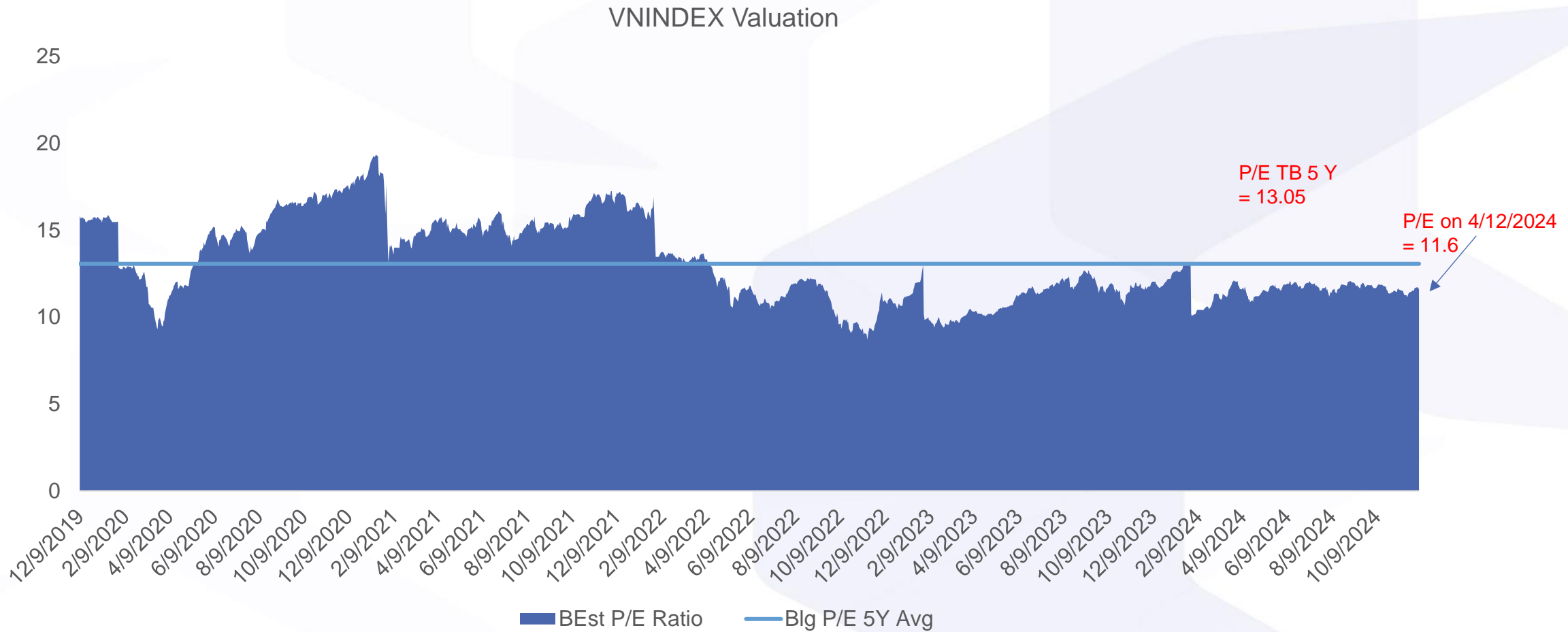
Sources: Bloomberg GTJASVN Research

Open account in 3 minutes  
(Hotline: 024 3577 9999)





EPS is forecasted to grow by 17% in 2025, bringing the forward P/E ratio for 2025 to an attractive valuation (around 10x).

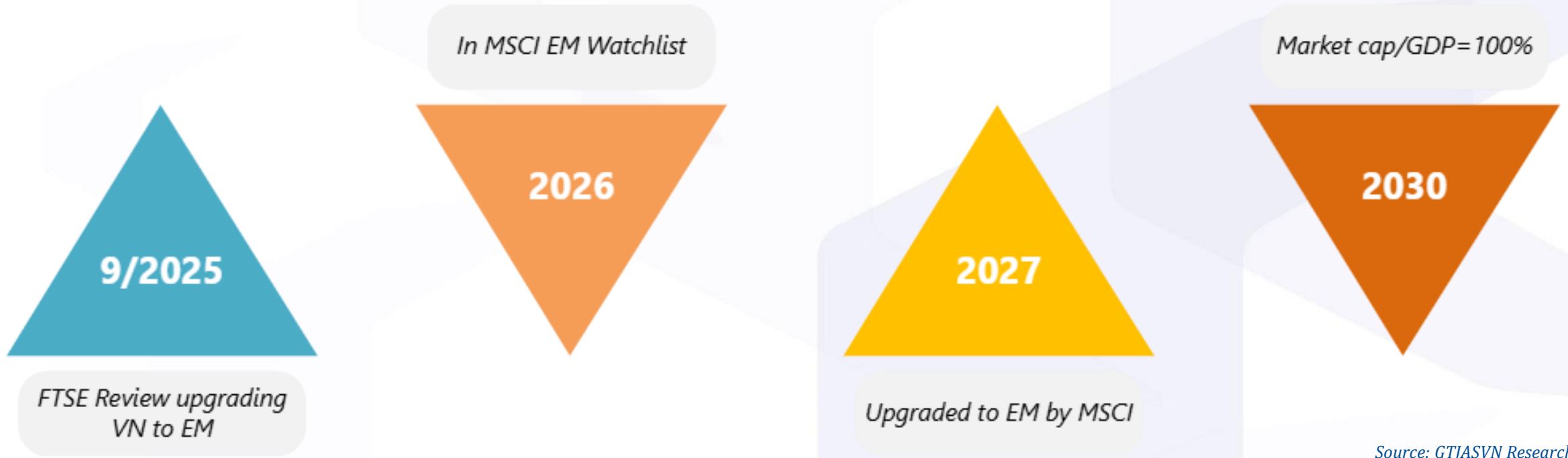


Sources: Bloomberg GTJASVN Research

Open account in 3 minutes  
(Hotline: 024 3577 9999)



## Market upgrades timeline



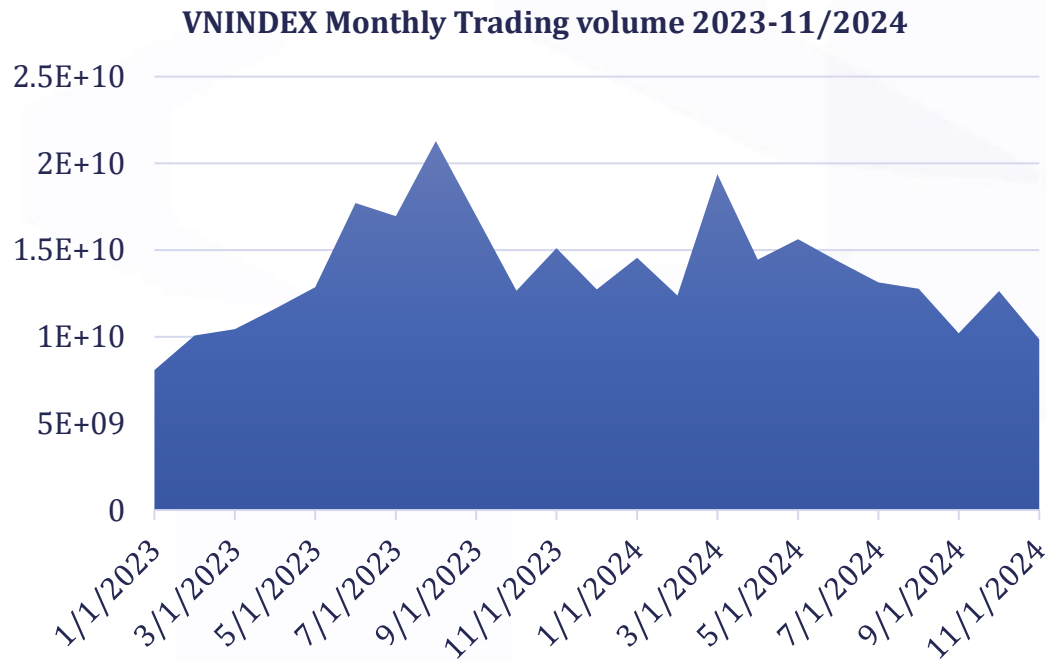
Source: GTJASVN Research

The Vietnamese stock market is expected to be upgraded to Emerging Market status by FTSE during the 2025-2026 period (September 2025 in a positive scenario) following efforts to improve market regulations and policies. In November 2024, non-prefunding products (trading without requiring 100% margin) were officially implemented across the market, in line with Circular 68/2024 issued on September 18. This also paves the way for the expectation of an MSCI upgrade in the medium term, anticipated between 2027 and 2028.





**The VNINDEX is expected to surge due to a large inflow of capital before and after the upgrade, with estimates ranging from 2.4 to 4.9 billion USD.**



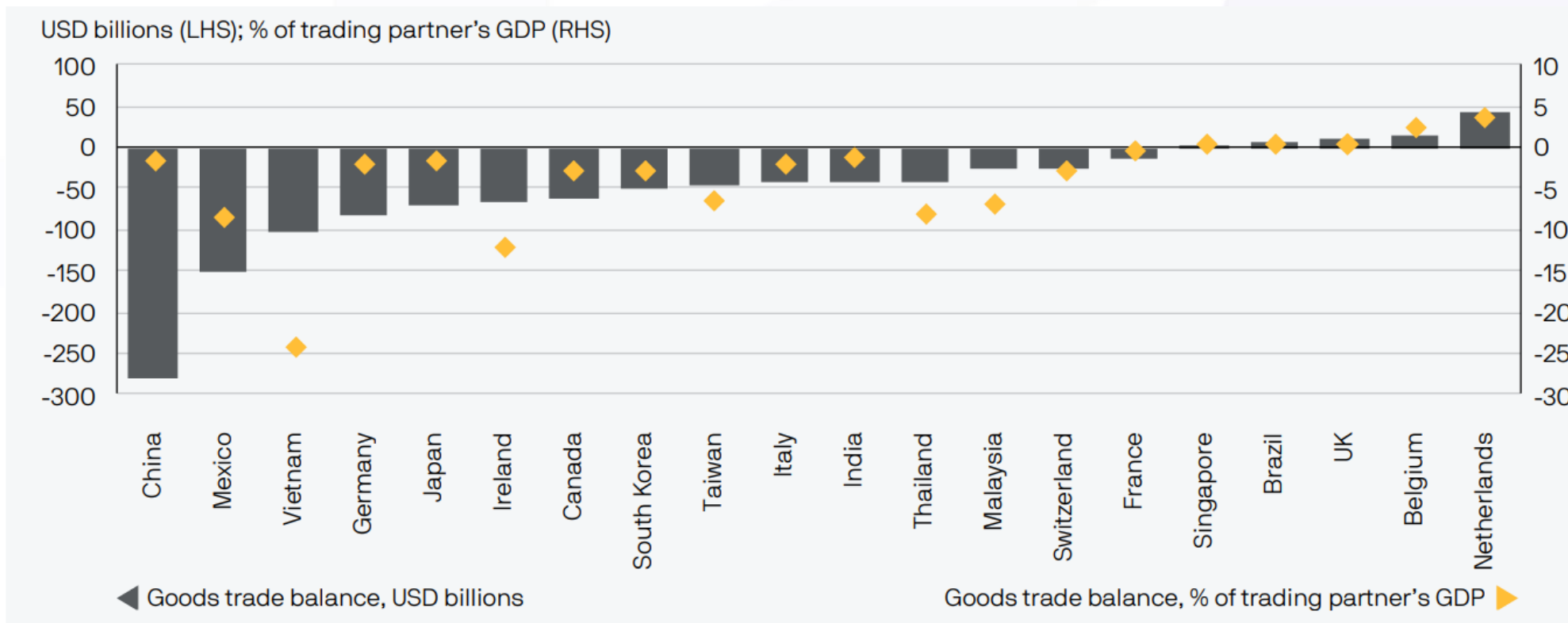
**Trading volume has been sluggish during the liquidity drought at the end of 2024. The anticipated upgrade is expected to bring foreign capital back to the Vietnamese stock market after a long period of net selling. We expect liquidity to improve from 2025, with an estimated increase of around 10-15% compared to the average level in 2024.**

Sources: Bloomberg GTJASVN Research

Open account in 3 minutes  
(Hotline: 024 3577 9999)



## Questions remain regarding trade prospects with the U.S. during Trump's term.



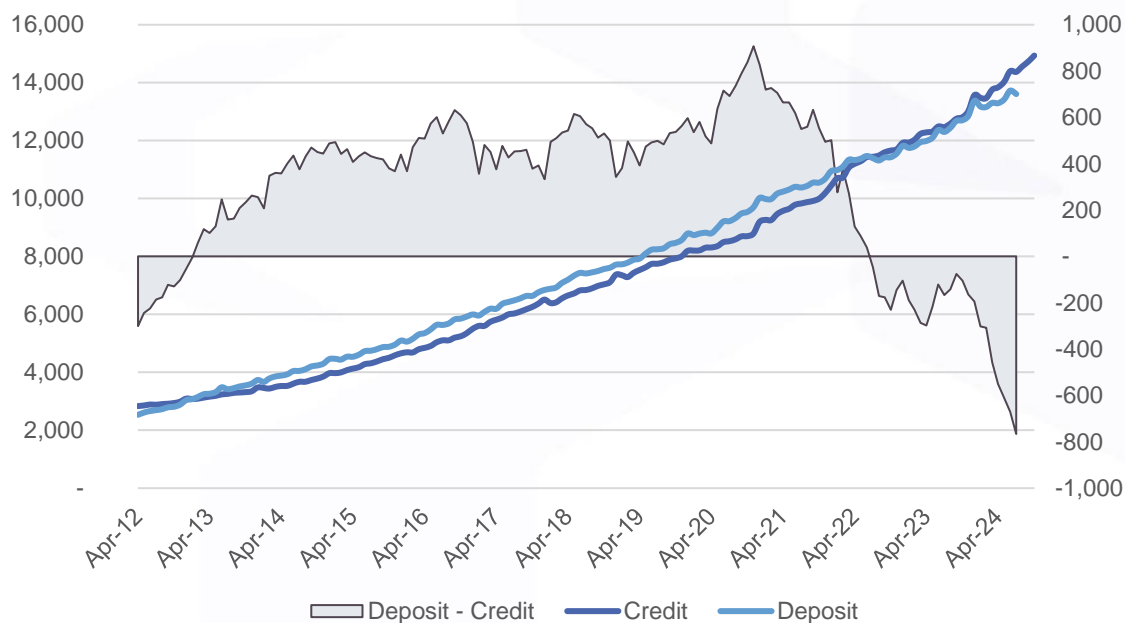
Source: FactSet, J.P. Morgan Asset Management. Data as of 12 November 2024.

The U.S. election concluded with Donald Trump's victory, raising concerns about the new president's policies on global trade in general and Vietnam in particular. Vietnam's growing export volume to the U.S. is expected to make it more sensitive and draw greater attention during Trump's term. However, we anticipate that Vietnam will benefit more from the shift in global investment flows, leveraging its advantages in attracting capital and the strong diplomatic relationship established with the U.S. in recent years.



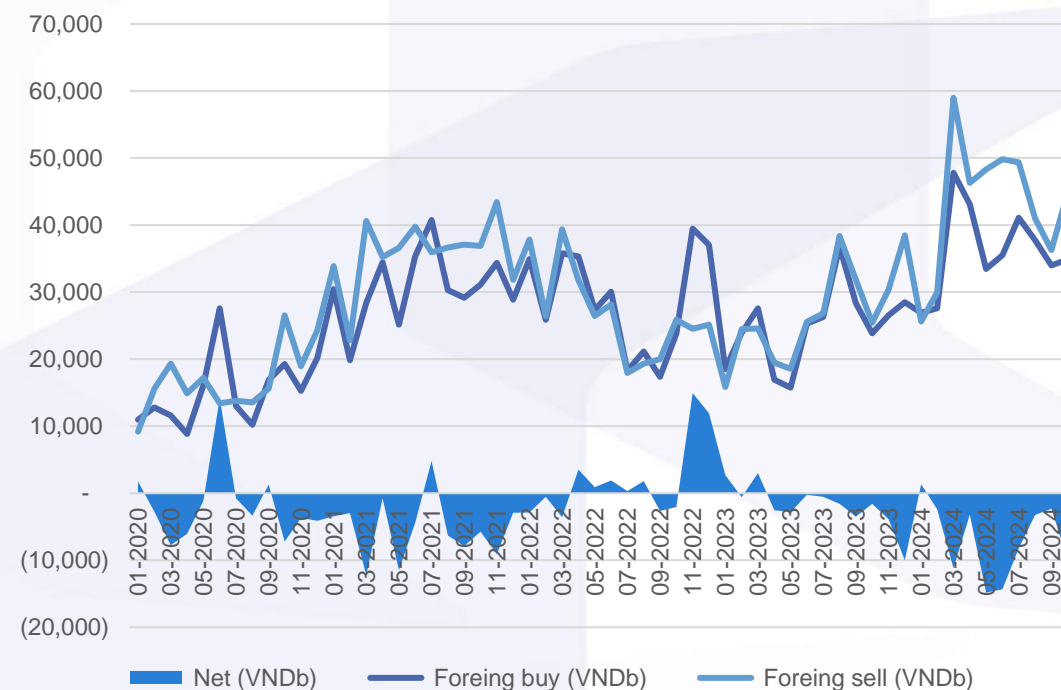
## Liquidity shortage

Deposits and loans balances at commercial banks (trn of VND)



System liquidity has experienced disruptions following the banking sector crisis associated with the SCB incident at the end of 2023, which has persisted to date. There has been a noticeable widening gap between credit growth and deposit growth, leading to higher deposit interest rates across banks.

Foreign investors buy sell (VNDb)



Meanwhile, in the stock market, liquidity shortages combined with strong net selling by foreign investors have prevented the VNIndex from making a short-term breakthrough.



## Interest Rate Pressures in 2025

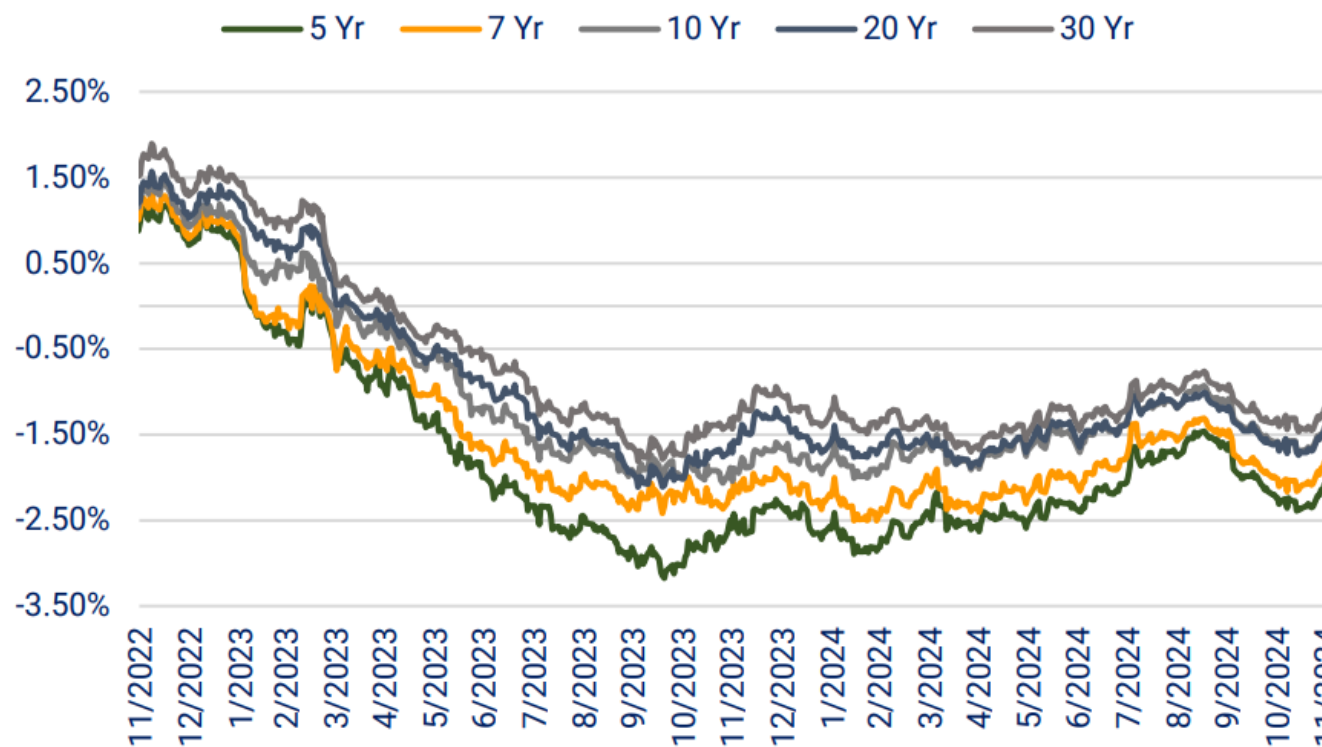
### Interest Rate and Exchange Rate Outlook for 2025

We anticipate that exchange rate pressures will continue to pose challenges in 2025, as the U.S. interest rate cut cycle is expected to slow down. This scenario could complicate Vietnam's monetary policy, given that foreign exchange reserves are not abundant, and exchange rate pressures may intensify as the USD strengthens.

There remains a tangible risk of policy rate hikes during 2025. However, we believe that the State Bank of Vietnam (SBV) will adopt a flexible monetary policy approach to support the economy — balancing exchange rate stability while maintaining growth momentum. This approach is expected to reinforce the government's GDP growth target of 6.5%-7%.

In our base case scenario, we anticipate only a modest rate hike of 0.25%.

VN-US yield spread



Source: USDT, VBMA

Sources: VMBA, GTJASVN Research



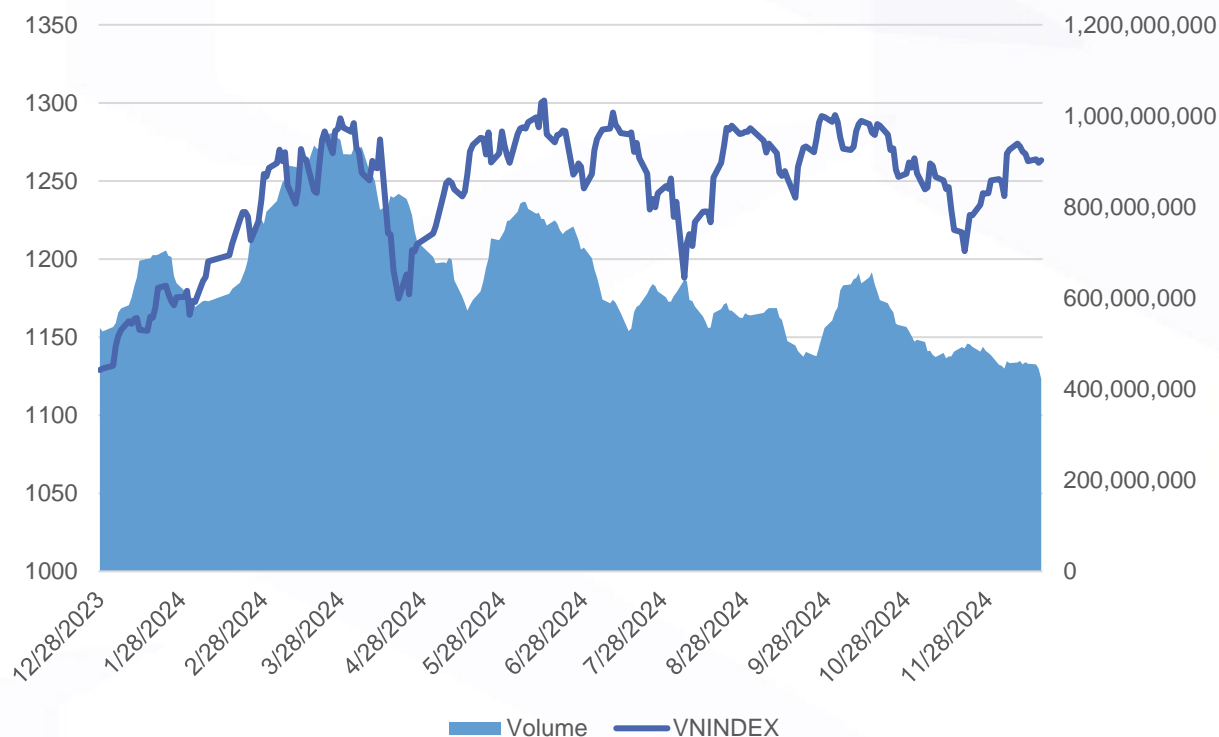




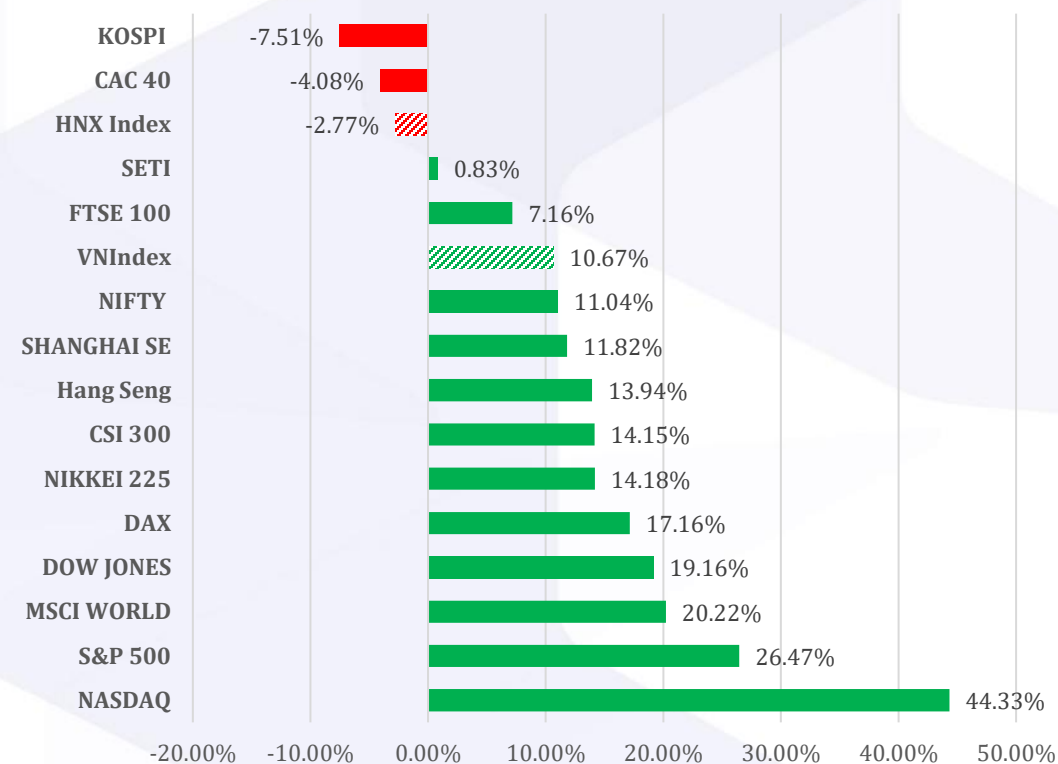
## VNINDEX in 2024 is expected to fluctuate within the range of 1,165 to 1,305 points.

As of December 13, 2024, the VNINDEX recorded a 14.56% year-to-date (YTD) increase, outperforming most regional stock markets. The primary drivers behind this growth were banking stocks and technology, particularly FPT. The market experienced an overall upward trend throughout the year, with key corrections observed in January, August, and November.

VNINDEX performance in 2024

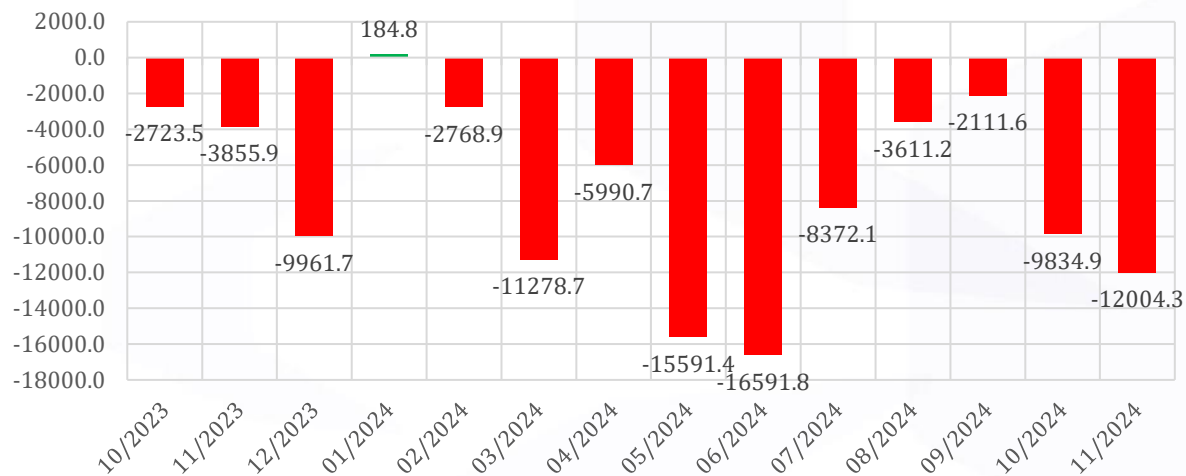


Global indices in first 11M2024

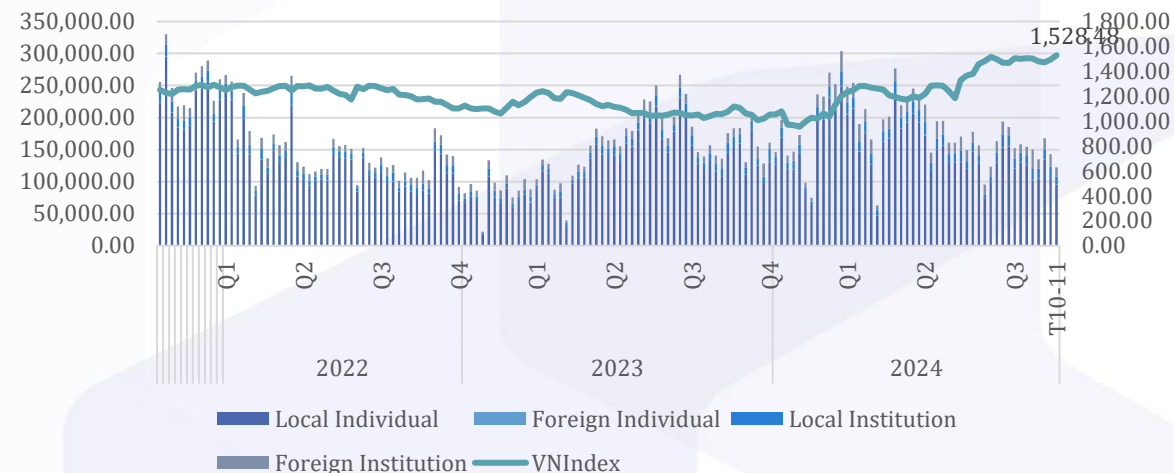




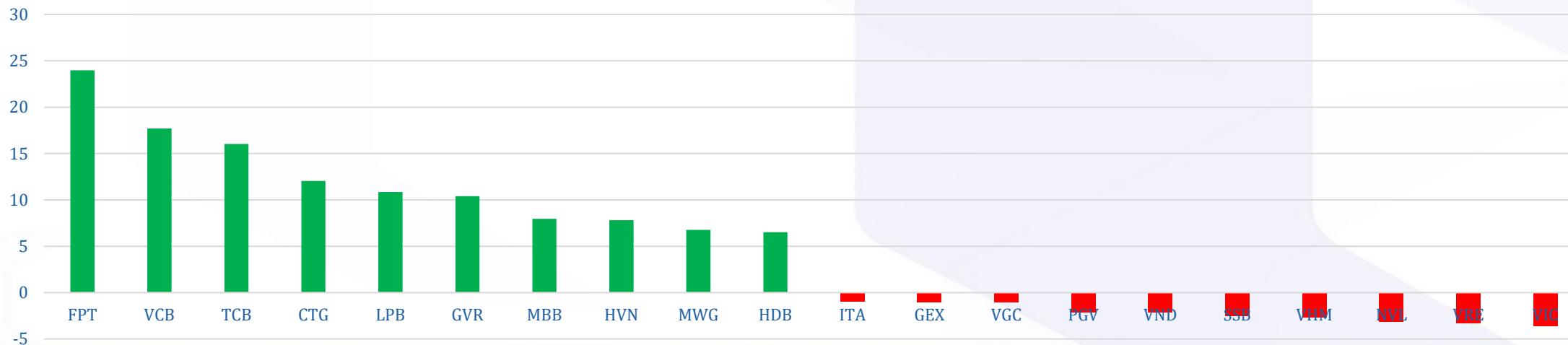
### Net value buy/sell of foreign investors (bn VND)



### VNIndex and weekly value of trading



### Top stocks contributing to VNINDEX increase in 2024 (data updated to 13/12/2024)

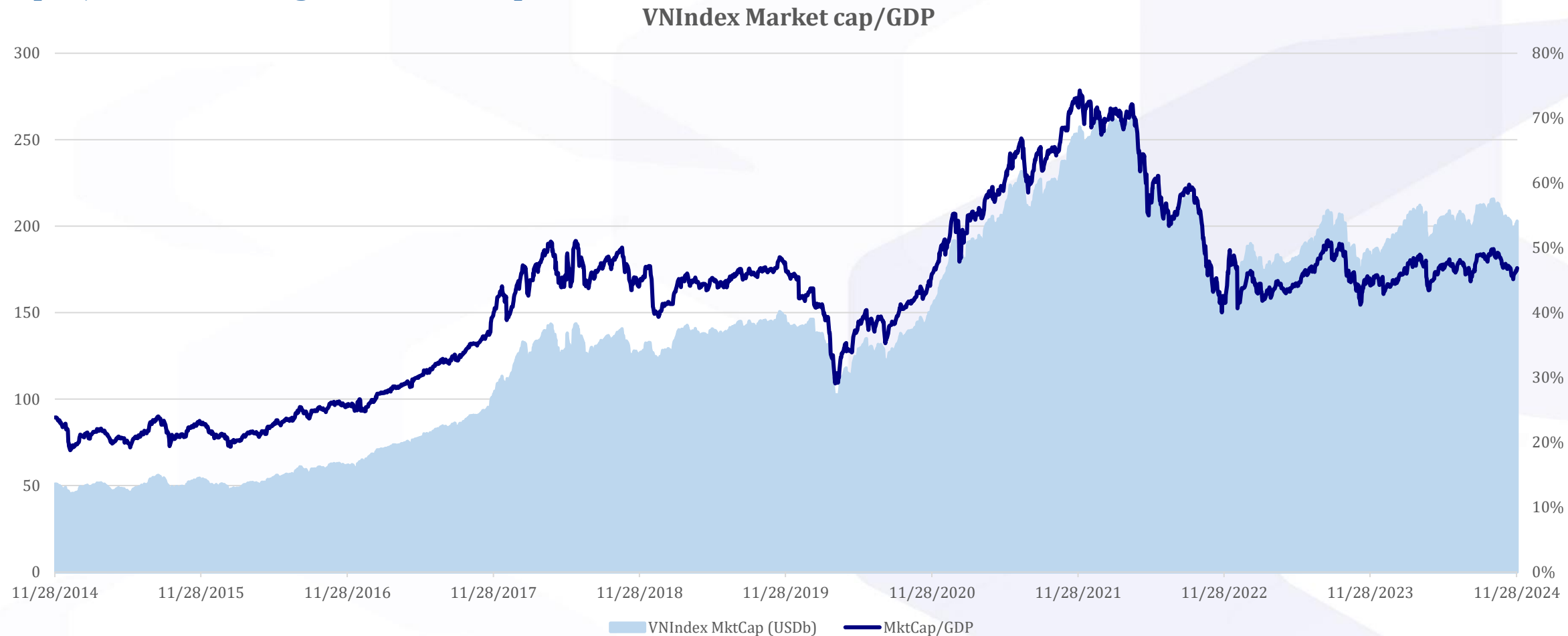


## Important events triggering market in 2024





The VNINDEX is expected to break through the 1,300-resistance level in the near future, with projections aiming for the 1,450 point.



Nguồn: Bloomberg, GTJASVN Research

Open account in 3 minutes  
(Hotline: 024 3577 9999)





## POSITIVE SCENARIO (20%)

- Fed cuts interest rates 3 times in 2025. Geopolitical risks in the Middle East and Ukraine ease US trade tariff policies remain moderate
- Inflation stays within target; currency pressure ease. Low interest rates are maintained, and foreign capital inflow returns.
- Strong credit growth. GDP Growth at 6.5%. The real estate market recovers well while industrial activity maintains momentum



VN-Index close at 2025YE ~1450

## BASE SCENARIO (60%)

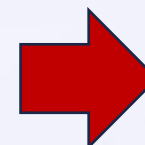
- Fed cuts rate 2 times in 2025. Geopolitical risks do not escalate significantly.
- Inflation remains within the target range' Currency pressures ease. The low -interest- rate environment is maintained.
- Credit growth remains strong. The real estate market recovers moderately. Corporate profits continue to grow at double-digit rates.



VN-Index close at 2025YE ~1380

## NEGATIVE SCENARIO (20%)

- Fed cuts rate only 1 time (or no cut) in 2025. Geopolitical risks are more serious.
- Inflation exceeds expectations.
- Credit growth is moderate to low. Market liquidity remains weak. The real estate market and production activities recover slowly.



VN-Index close at 2025YE ~1,270





It is likely that 2025 will continue to be a year of volatile trading for the VNINDEX with a mix of positive and negative information.

Key factors driving the VN-Index's growth and surpassing the 1300 mark in 2025 will become clearer, including: the market upgrade evaluation from FTSE, economic growth prospects, and the monetary policy space ahead of the Fed's gradual interest rate cut plan, as well as the foreign and trade policies of US President Donald Trump gradually being revealed.

In the base case scenario, a positive evaluation of the upgrade will help VNINDEX easily surpass the 1,350 mark and move toward the 1,400 zone. In a more positive scenario, VNINDEX could even reach the 1,450 zone thanks to strong inflows from foreign investors into the stock market.

On the other hand, unpredictable geopolitical risks and global trade barriers could put pressure on the Vietnamese stock market, keeping it around the 1,200-1,300 range as it is now.

Sources: GTJASVN Research, TradingView

Open account in 3 minutes  
(Hotline: 024 3577 9999)





# 2025 INVESTMENT STRATEGY



## 2025 INVESTMENT STRATEGY: SAFE INVESTMENT AMIDST VOLATILITY

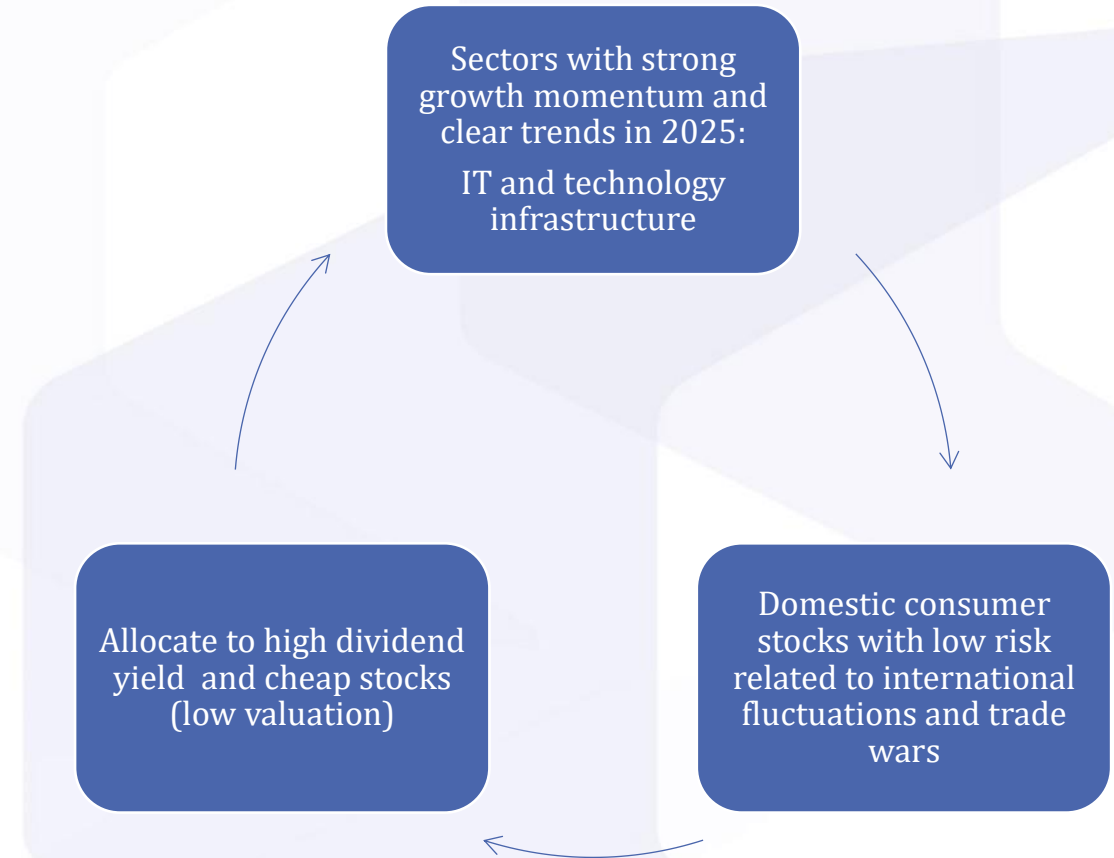
With global uncertainties and potential impacts on Vietnam's economy, we recommend a cautious investment strategy in 2025, combining a Defensive Portfolio and an Offensive Portfolio.

- ✓ For the offensive portfolio, we suggest focusing on sectors with clear trends, such as Technology & Infrastructure and Hydropower.
- ✓ For the defensive portfolio: focus on domestic consumption sectors that are less susceptible to macroeconomic fluctuations and global trade uncertainties. A high dividend stocks portfolio is also a suitable option.

We believe that 2025 is an opportune time to invest with a longer-term view. VNINDEX may be in a mid-term support zone, making it a good time to increase exposure for medium- and long-term holding.

Action - Cautious Approach: Investors should deploy capital when the index adjusts to support levels and avoid FOMO (Fear of Missing Out). We do not encourage active trading in the current uncertain investment environment.

*[\(\\*\) Refer to our Dividend Stock Portfolio here.](#)*



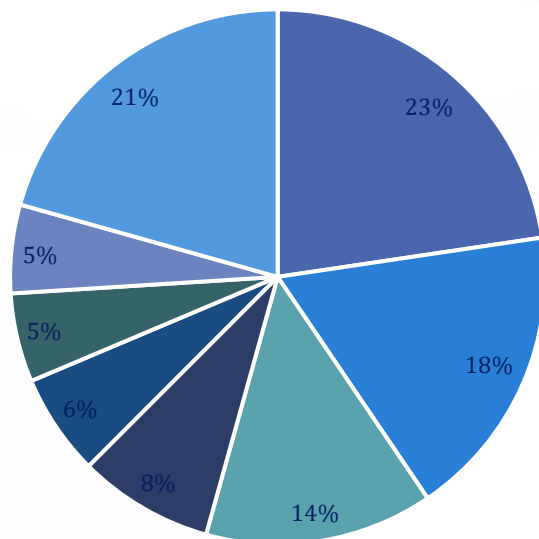
Sources: GTJASVN Research





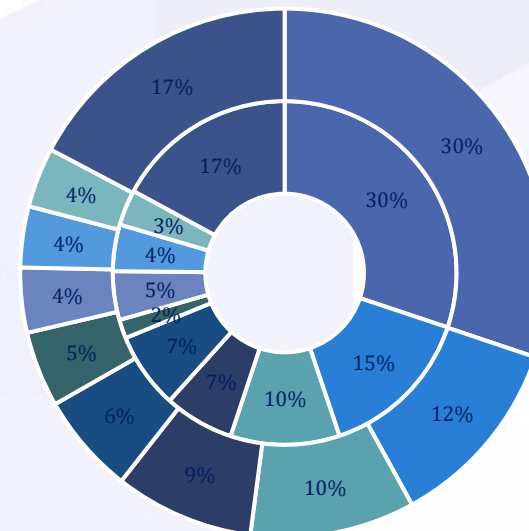
In a positive scenario, key sectors such as banking, real estate, and technology will continue to drive the growth of the VNIndex. In a market-upgrades scenario, the VN30 stocks will be the first group to benefit from the passive investment flows allocated into the Vietnamese market.

Market volume in 11M2024 by sector



- Ngân hàng
- Bất động sản
- Dịch vụ tài chính
- Thực phẩm và đồ uống
- Tài nguyên Cơ bản
- Xây dựng và Vật liệu
- Hàng & Dịch vụ Công nghiệp L2
- Khác

Market cap by sector on HOSE, HNX, UPCOM (in 2023; Out: end of 29/11/2024)



- Ngân hàng
- Bất động sản
- Hàng & Dịch vụ Công nghiệp
- Điện, nước & xăng dầu khí đốt
- Tài nguyên Cơ bản
- Dịch vụ tài chính
- Khác
- Thực phẩm và đồ uống
- Viễn thông
- Hóa chất





## 2025 Sector Prospects

Sector	Outlook	Details	Watch list
IT- telecom infrastructure	Positive	The information technology sector has strong growth prospects in the coming decade, driven by the global trend of digitalization and AI development. Alongside this, to support the development of the new technology wave, infrastructure such as telecommunications, infrastructure support services, and electricity are essential conditions for growth, opening up significant growth potential for these sectors. However, after the strong surge in 2024, it is important to carefully monitor the valuations of these companies, as they have already reached high levels.	FPT, CTR, TTN, CMG
Electricity – energy	Positive	The energy sector is a key focus for development in the upcoming period, playing a pivotal role in the country's growth. Additionally, the development of the electricity system is a prerequisite for the advancement of the digital economy.	PC1, VSH
Logistics- port	Positive	The sector continues to benefit from the increased port value thanks to the prospects of expanded import-export activities. Additionally, companies have growth potential due to increased capacity.	GMD, HAH
Residential RE	Slightly recover	The real estate sector is expected to continue recovering at a moderate pace.	VHM, NLG, KDH, HDG, NTL
Industrial RE	Positive	The industry outlook is positive due to the wave of production relocation. However, the occupancy rate of many industrial zones has reached a high level, while there are no new projects to meet the demand, posing a growth barrier for businesses in the near future.	BCM, KBC, IDC
Banking	Neutral	The pressure from bad debts and funding costs is affecting the profitability of banks. Meanwhile, credit growth is expected to continue at a high rate, in line with efforts to develop the economy.	VCB, BID, CTG, MBB, TCB, ACB
Securities	Neutral	The performance of securities companies is expected to be positive in 2025, driven by the prospects of the Vietnam stock market's upgrade. However, for this sector, it is recommended to invest with a long-term horizon of 3 years due to high valuations and uncertainties regarding the timing of the upgrade.	SSI, VCI, HCM, FTS, VDS





## Sector Outlook

Sector	Outlook	Details	Watch list
Consumer	Neutral	Domestic consumption is expected to remain positive due to improving income levels. However, consumer stocks related to export activities such as seafood and textiles may face challenges due to the impact of policies under President Trump's administration and the pressure of rising shipping costs.	MWG, PNJ, MSN, VNM, QNS
Construction & construction materials	Recover	Recovery is expected to be driven by the progress in public investment disbursement. Meanwhile, the real estate recovery also improves demand for construction materials. However, the building materials sector in general and the steel industry, in particular, are still affected by steel prices and supply from China, with the surplus supply from China continuing to influence the market. The slow recovery of the real estate market has kept steel prices at low levels. The gradual recovery of steel prices, combined with the news that Vietnam is imposing anti-dumping duties on imported steel from China, is positive for the steel sector in 2025.	HPG, NKG, HSG, CTD
Fertilizer	Positive	The fertilizer sector is expected to benefit from the anticipated 5% VAT tax and the positive domestic consumption demand.	DCM, DPM, DGC, BFC
Industrial goods: plastic, packaging, paper	Neutral	The supporting industries are expected to develop positively and are less impacted by the overall market fluctuations. However, there are risks associated with raw material prices.	BMP, NTP, DHC
Utilities	Positive	Water prices are expected to increase annually, with growth potential driven by rising demand from both residential customers and industrial zones.	BWE

Sources: Bloomberg GTJASVN Research

Open account in 3 minutes  
(Hotline: 024 3577 9999)



The sector owns the promising potential are driven by the global digital transformation trend. Furthermore, Vietnam has become a potential destination for the global semiconductor and technology industries, opening up growth prospects for IT companies and information technology infrastructure services in the country.

VIETNAM AI MARKET (MN USD)



- ✓ In the medium term, over the next five years, Vietnam's technology sector is expected to grow strongly with a CAGR of nearly 10%, reaching a size of 13.32 billion USD by 2029, according to Mordor Intelligence. The IT Outsourcing sector is projected to grow at a CAGR of 11.51% by 2028.
- ✓ In the long term, according to the World Bank's forecast, Vietnam's digital economy, with the technology sector as a key pillar, is expected to reach 200 billion USD by 2045, with an annual growth rate of 10%
- ✓ **Stock picks: FPT, CTR, CMG, TTN**

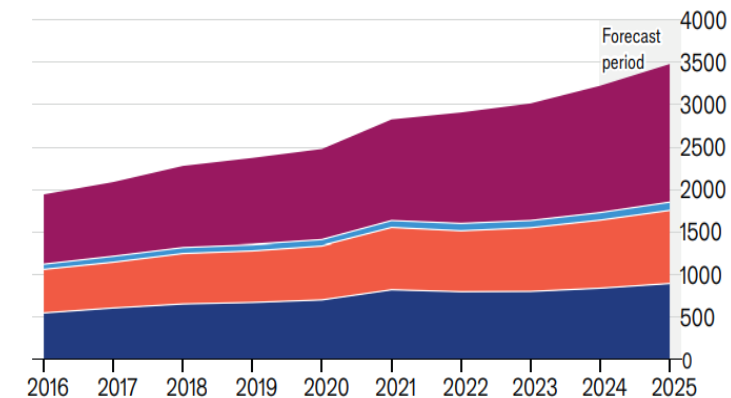
AI will continue to drive IT spending in 2025

IT spending; US\$ bn

- Asia-Pacific
- Europe
- South America
- USMCA

Source: EIU.

Copyright © The Economist Intelligence Unit 2024. All rights reserved.



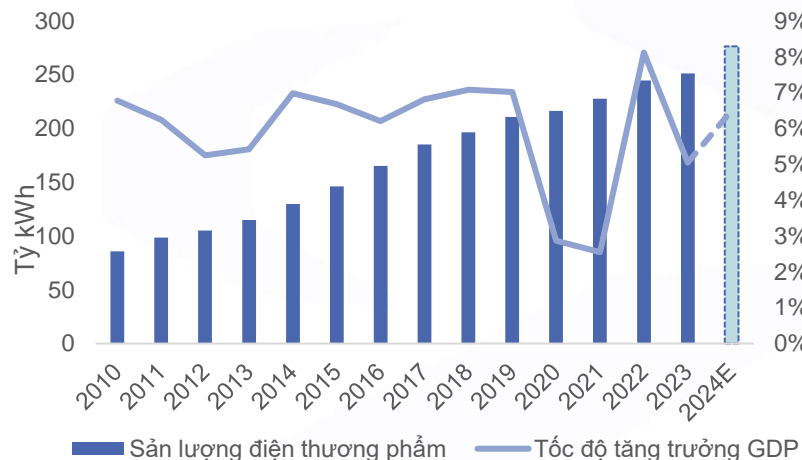
With an AI readiness score of 54.5 (Oxford Insights), Vietnam ranks 5th in Southeast Asia, highlighting the government's commitment to promoting research, policies, and the development of the AI sector. This aligns with Vietnam's vision of becoming one of the top four AI leaders in ASEAN by 2030.

Vietnam's AI market is expected to reach 753.4 million USD by 2024, with a compound annual growth rate (CAGR) of 28.6% through 2030.

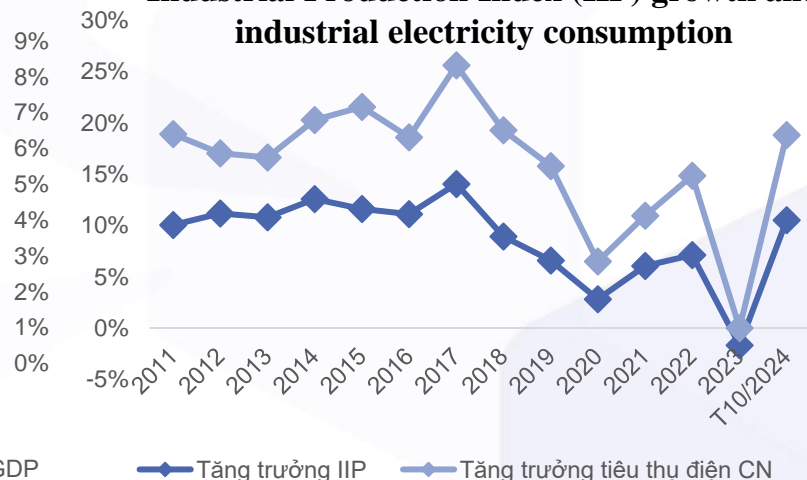


The energy sector is a key focus for development in the coming period, playing a pivotal role in the country's growth. Additionally, the development of the power grid is a prerequisite for advancing the digital economy.

### Commercial Electricity Output



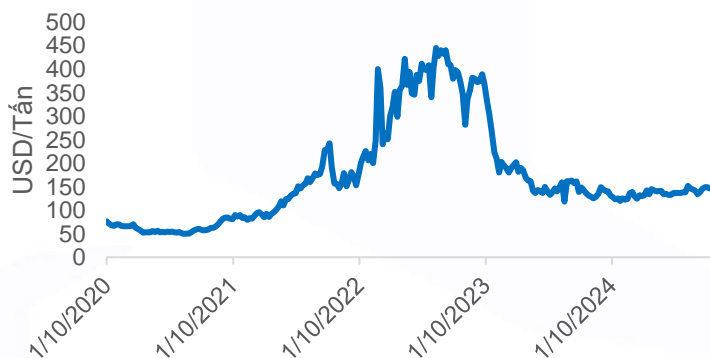
### Industrial Production Index (IIP) growth and industrial electricity consumption



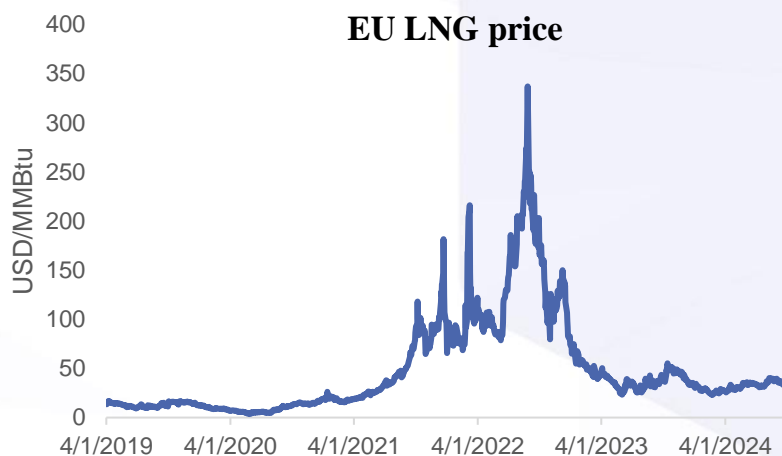
### Average retail electricity price



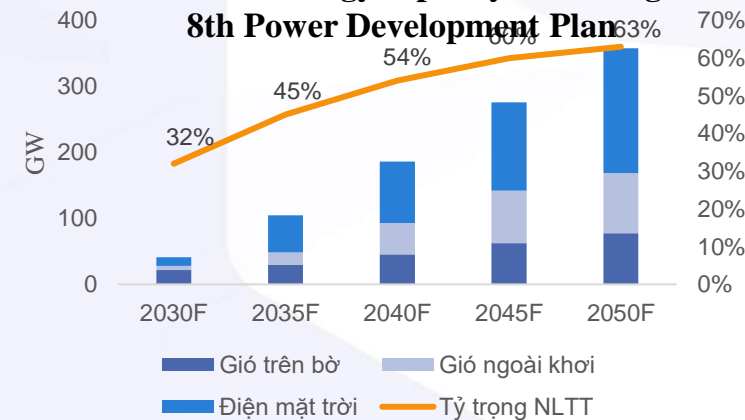
### Newcastle Coal Index 6000 kcal



### EU LNG price



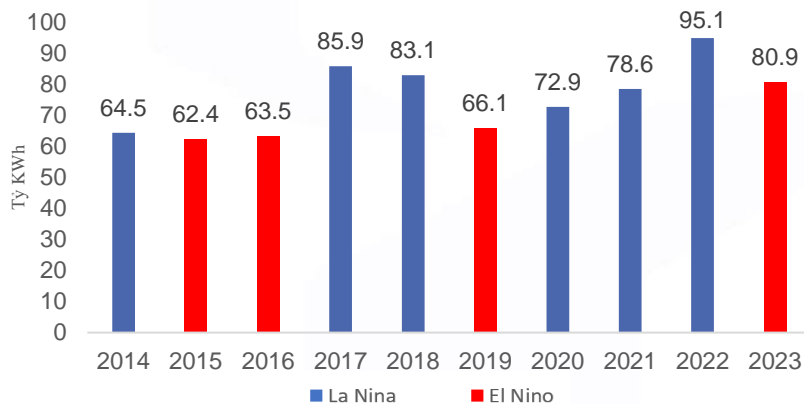
### The renewable energy capacity according to the 8th Power Development Plan



## Hydropower performance is positive thanks to favorable weather conditions.

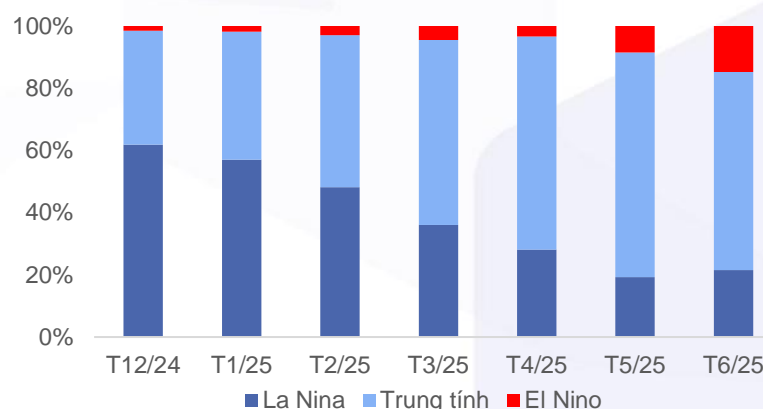
The financial results are boosted by favorable hydrological conditions. El Nino has ended and will transition to the La Nina phase starting from Q3 2024, helping hydropower companies significantly recover production, reaching 66.6 billion kWh (+35% YoY), with abundant water in reservoirs due to increased rainfall. According to EVN, the direct electricity production (Qc) of hydropower plants is expected to reach 95-98% in 2024, higher than the usual 85-90%. We expect hydropower companies to maintain strong financial results until Q1 2025, benefiting from the La Nina phase.

The hydroelectric production output



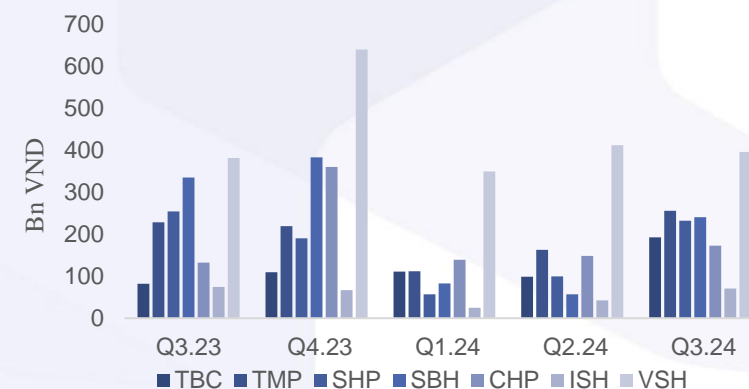
Source: EVN, GTJASVN Research

ENSO Forecast



Source: NOAA, IRI, GTJASVN Research

Revenue of hydropower companies



Source: FiiiproX, GTJASVN Research

## In 2025, the outlook for the energy sectors of thermal power (coal-fired) and renewable energy (RE) is expected to be neutral.

The improvement in LNG and coal power generation is attributed to the lower global coal prices.

While the development of renewable energy and gas power continues to receive significant attention, there are still numerous legal obstacles, particularly regarding pricing mechanisms. As such, we maintain a neutral stance on both sectors for the year 2025.

**Stock picks: VSH, PC1**

Sources: Bloomberg GTJASVN Research



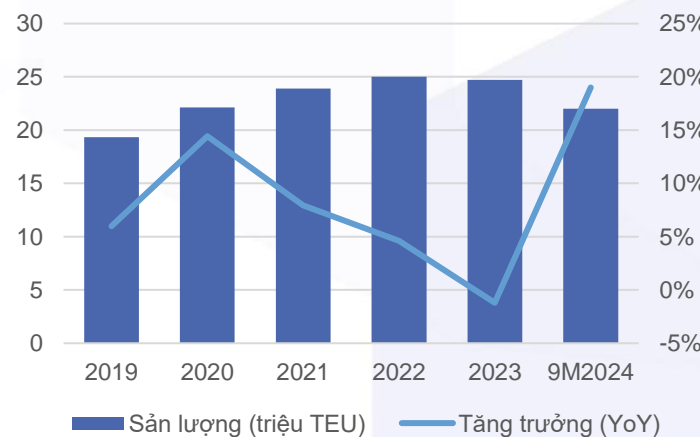
## The vibrant trade activity and the expected increase in freight rates are projected to have a positive impact on the industry's outlook.

The total cargo throughput through seaports is estimated to increase by around 14%, reaching 570 million tons in the first 10 months of 2024. The seaport and maritime transport sectors are expected to grow by 12% in 2025, based on the outlook for continued strong import-export activities, high FDI inflows, and ongoing completion of port and related infrastructure upgrade projects.

WCI Composite Container Freight Benchmark rate per 40 feet box dreyw



Volume of goods throughput Vietnam ports



Shanghai container freight index



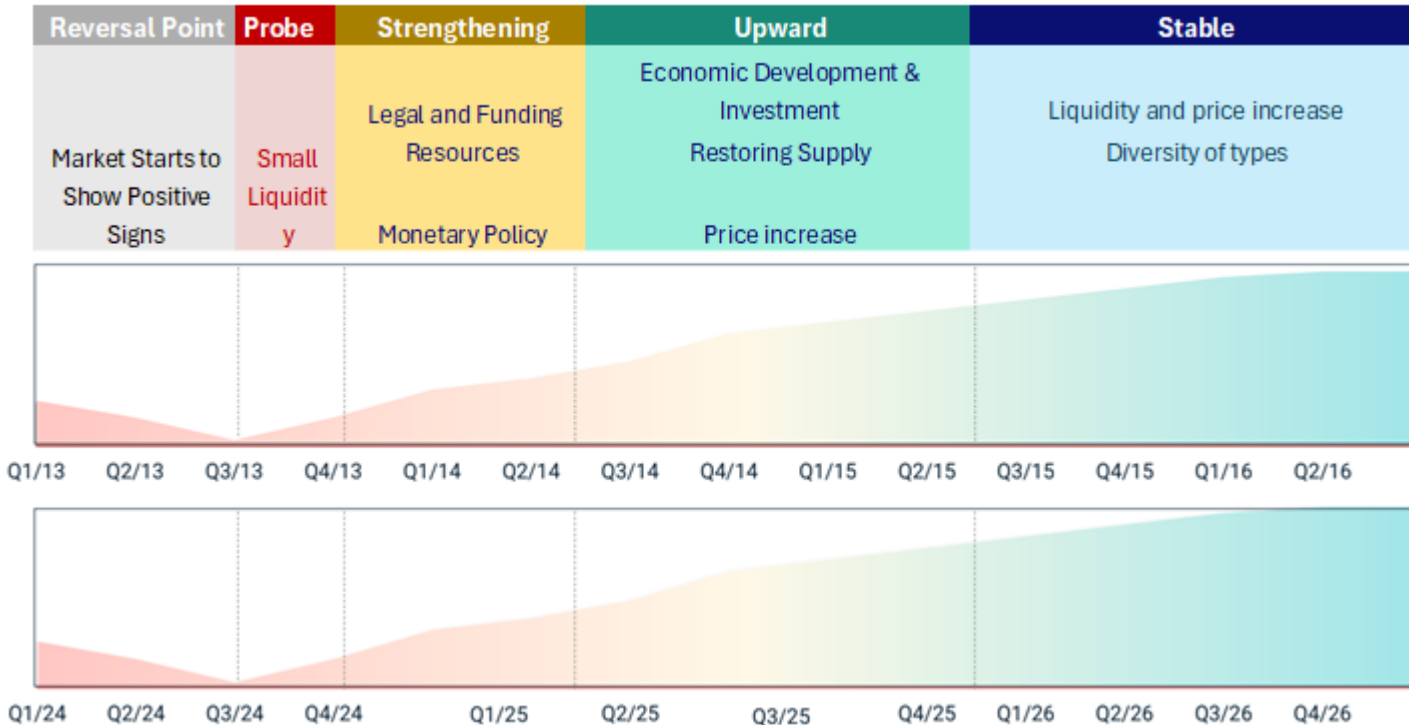
Meanwhile, freight rates are expected to maintain an upward trend in 2025 as global geopolitical tensions remain unresolved. Factors such as the Red Sea conflict, congestion in the Panama Canal, and strikes at certain seaports will continue to disrupt supply chains and increase transportation costs.

**Stocks picks: HAH, GMD.**

Sources: Bloomberg, GSO, GTJASVN Research



## Entering the new cycle

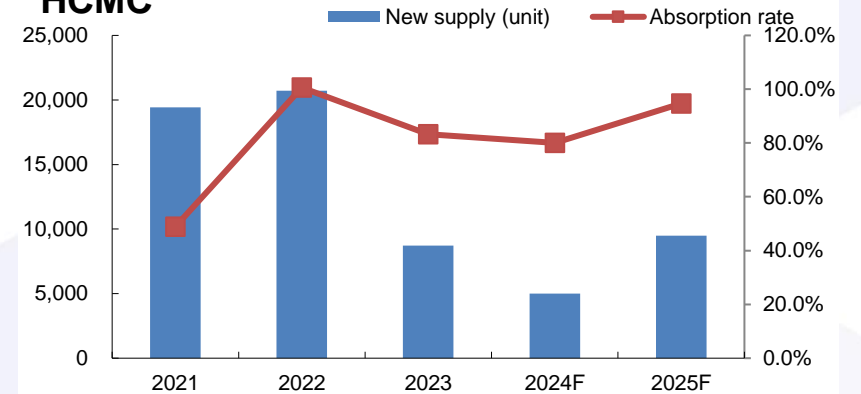


- ✓ Expecting positive recovery once legal obstacles are resolved.
- ✓ The supply and absorption rate of apartments show signs of a slight recovery from the bottom.

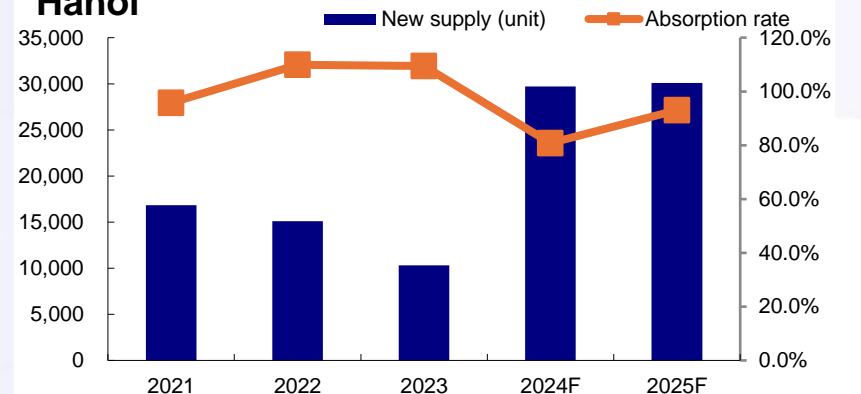
However, we anticipate only a mild recovery in the real estate market next year, with improved supply from large and financially stable developers.

- ✓ **Stock picks: VHM, NLG, KDH, HDG, NTL**

### HCMC



### Hanoi

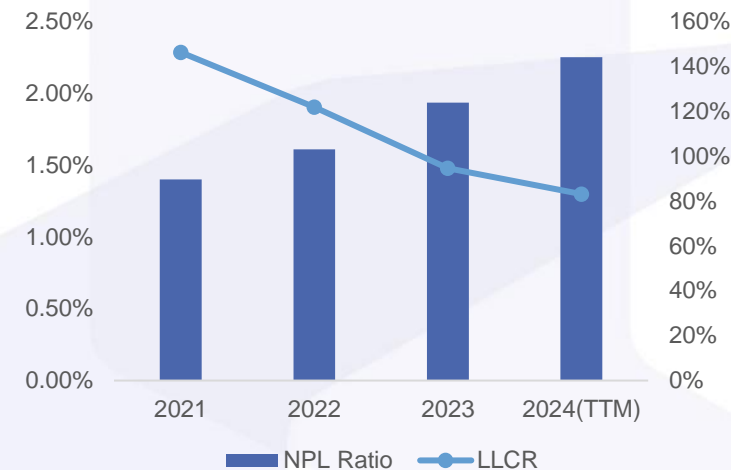
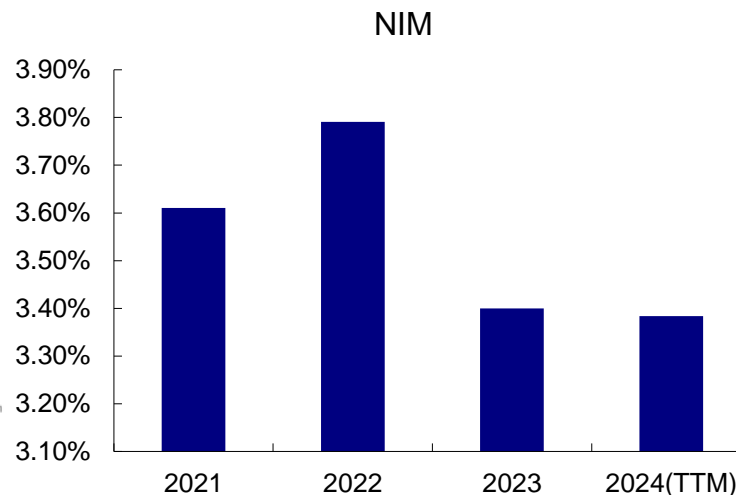
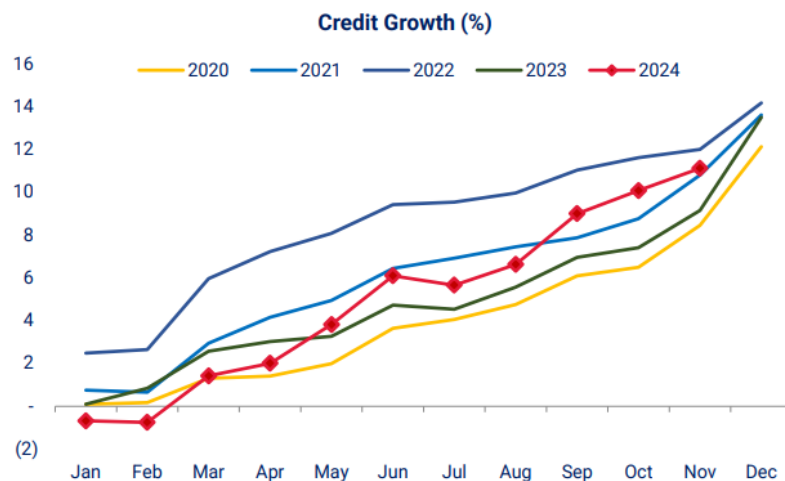


Sources: Batdongsan.com, CBRE, GTJASVN Research





**The pressure from non-performing loans (NPLs) and rising capital costs in 2025 is expected to remain a key challenge for the banking sector.**



Sources: VBMA, SBV, GSO, FiinproX, GTJASVN Research

The banking sector in 2025 will continue to maintain positive momentum, with high credit growth aligning with the overall economic development. In the first 11 months of 2024, credit growth reached 11.12%, and it is expected to meet the State Bank of Vietnam's target of 14%-15%. Additionally, the recovery of the real estate sector and improving economic conditions will help banks improve profit margins through home loans and retail lending segments. Non-interest income channels are also expected to perform well due to a positive economic outlook.

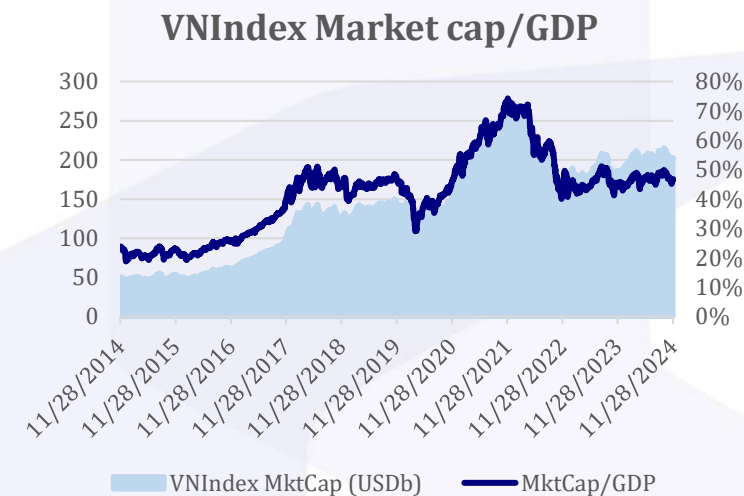
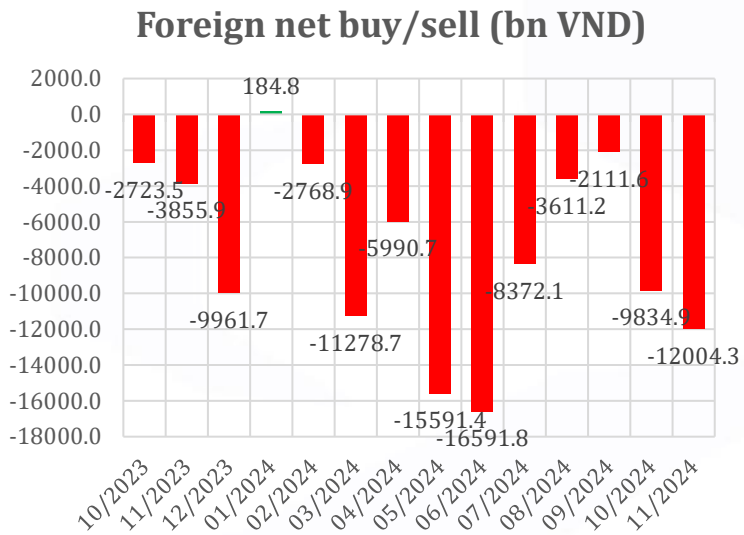
However, the banking sector in 2025 is expected to continue facing headwinds. Liquidity risks within the system and exchange rate pressures on interest rates will continue to exert pressure on banks' deposit interest rates in 2025, affecting net interest margin (NIM). Additionally, the non-extension of Circular 02 will reveal bad debts within the system, putting pressure on banks' ratio management.

Given the current valuation level (P/B of 1.5x), we believe banking stocks are still suitable for long-term accumulation in portfolios. Short-term trading will face many barriers due to policy uncertainties and overall market volatility.

**Stock picks: VCB, CTG, BID, TCB, MBB, ACB.**



## The outlook is positive, driven by expectations of a market upgrade.



Sources: VBMA, SBV, GSO, FiinproX, GTJASVN Research

The securities industry's business performance is expected to improve in 2025, driven by the anticipation of increased market liquidity, with positive news regarding the market upgrade leading to foreign capital inflows into Vietnam's market. Additionally, the increased application of technology and AI in business operations will help securities companies operate more efficiently and improve their profitability margins.

In the short term, policy uncertainties and a shortage of capital remain obstacles to the VNIndex's breakout. These barriers are expected to be removed under conditions such as (1) the outlook for market upgrades, (2) improved market liquidity with the return of both individual and foreign investor funds, and (3) sustainable corporate profit growth. Furthermore, the wave of stock transfers or new listings of large companies could act as catalysts for the market.

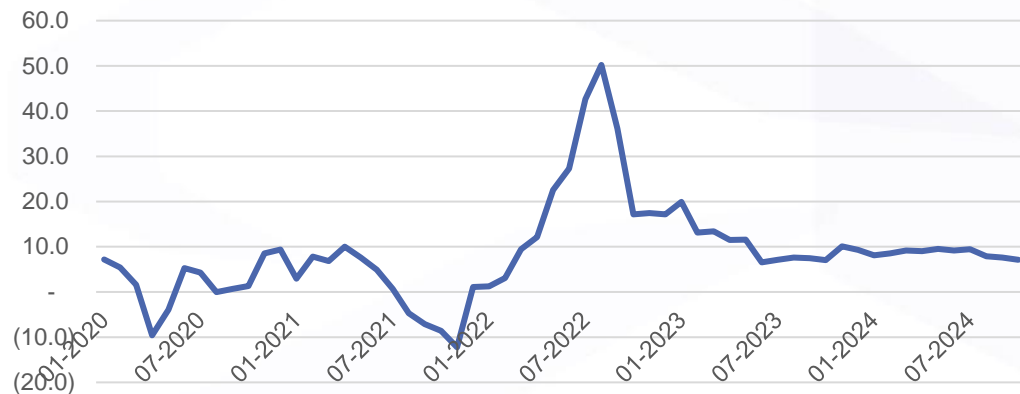
Note that the valuation of securities companies is currently relatively high after the surge during the Covid wave in 2020 and subsequent capital increases. For this sector, it is recommended to invest with a 3-year long-term outlook due to the high valuations and uncertainties regarding the timing of the market upgrade.

**Stock picks: SSI, HCM, FTS, VDS**

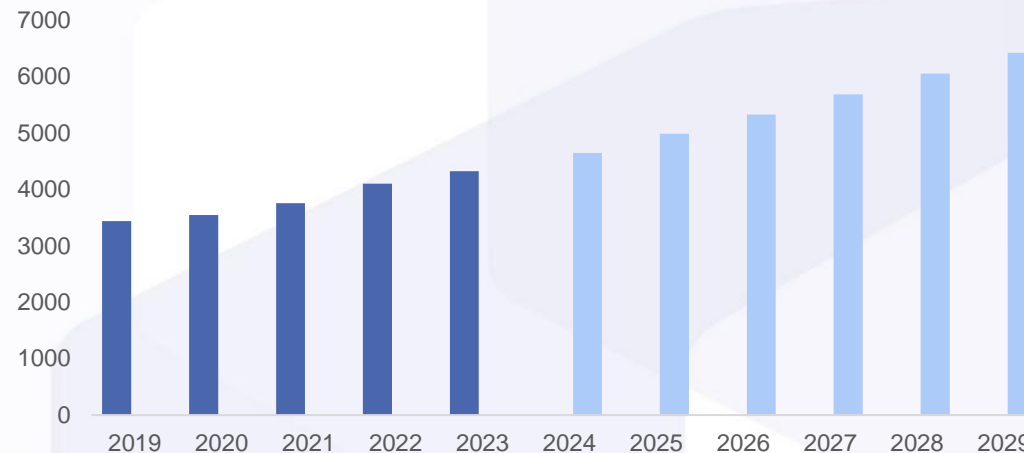


## Focus on domestic -oriented consumer stocks

Total growth of retail sales of goods & services (%)



Vietnam GDP per capita (USD)



Sources: SBV, GSO, FiiiproX, GTJASVN Research

Retail and domestic-oriented consumer companies are expected to continue seeing growth in 2025, driven by strong domestic income and consumption trends. Consumer sentiment is also improving. According to PwC's Consumer Survey in Asia-Pacific for 2024, the key findings for Vietnam show that 63% of consumers expect to increase spending on essential goods in the next 12 months, followed by clothing (52%) and healthcare products (48%). As a result, retail sales growth is expected to reach 9%-10% in 2025.

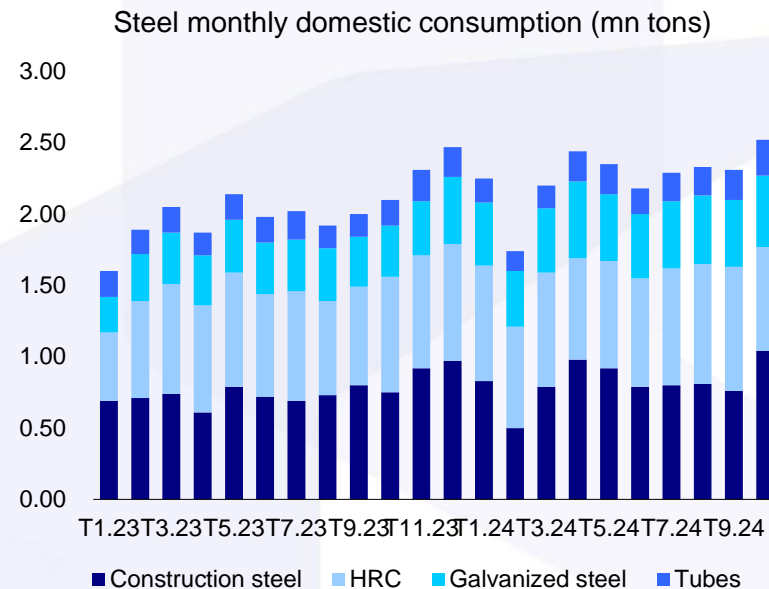
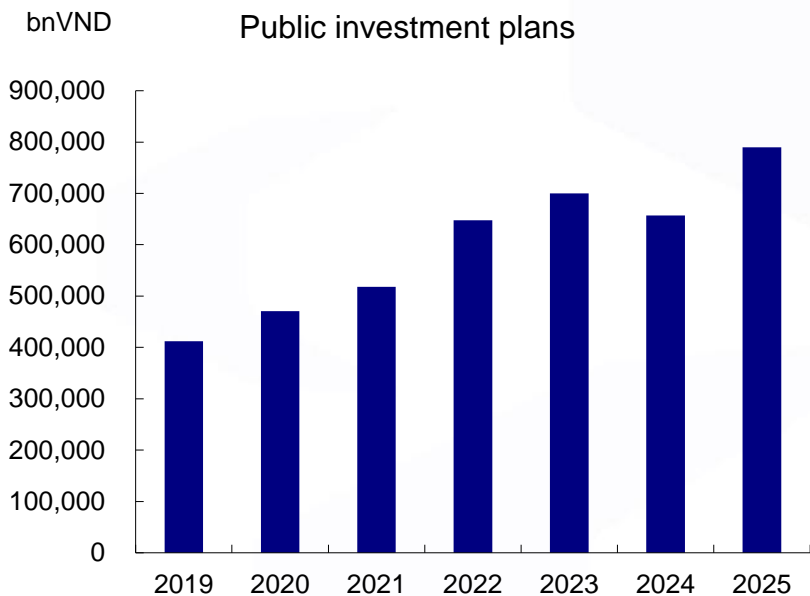
We are particularly interested in stocks with low valuations and high cash dividend yields, such as QNS and VNM.

On the other hand, consumer stocks related to export activities, such as seafood and textiles, may face difficulties due to the policies under President Trump's administration and the pressure of rising freight costs.

**Stock picks: MWG, PNJ, MSN, QNS, VNM.**



### The momentum from increased public investment, while the real estate market is recovering slightly.



Sources: Bloomberg, GSO, FiinproX, GTJASVN Research

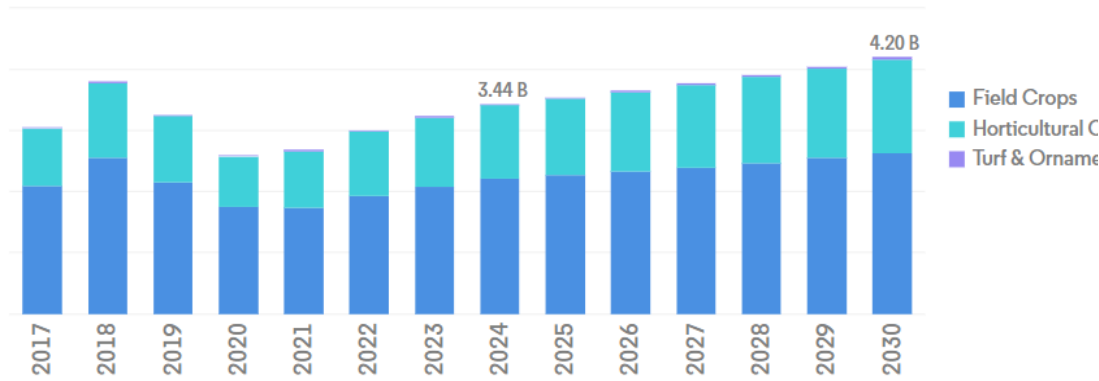
Expecting recovery driven by the progress of public investment disbursement. Meanwhile, the recovery of the real estate sector will also improve demand for building materials. However, the construction materials industry, particularly steel, is still affected by steel prices and supply from China, as the oversupply situation in China continues due to the slow recovery of the real estate market, keeping steel prices at low levels. The outlook for a gradual steel price recovery, coupled with Vietnam's imposition of anti-dumping duties on steel imports from China, is a positive signal for the steel sector stocks in 2025.

**Stock picks: CTD, HPG, HSG, NKG, BMP**

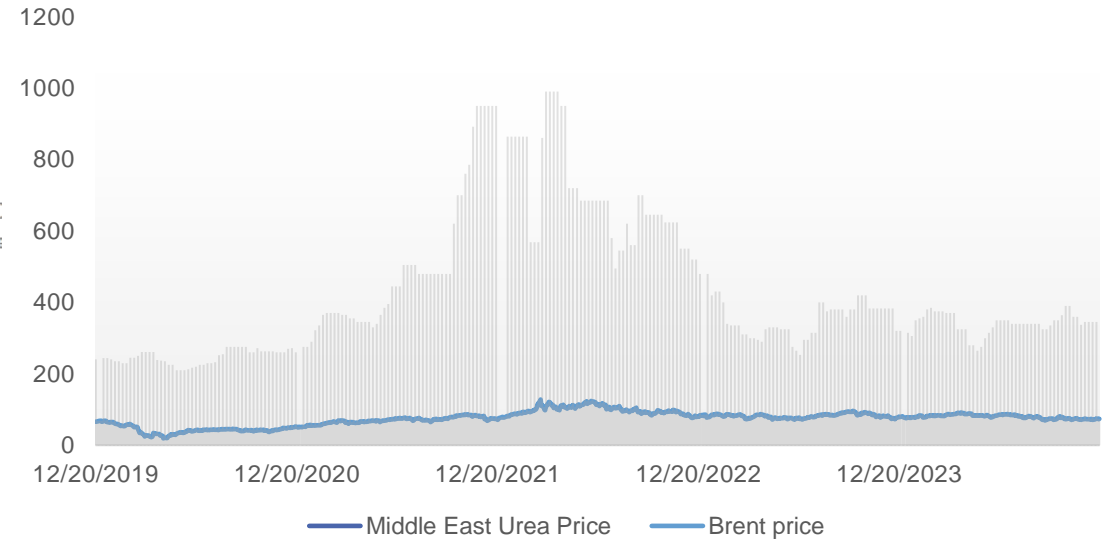


## Benefiting from the 5% VAT tax imposition and increased domestic demand.

Fertilizer Consumption by crop type in USD, Vietnam, 2017 - 2030



Source: Mordor Intelligence



Sources: Bloomberg, GTJASVN Research

The fertilizer industry outlook for 2025 is projected to be positive due to stable domestic demand. With the expansion of agricultural land and supportive policies for agriculture, fertilizer demand in the domestic market will remain high. Vietnam, with its large agricultural sector, plays a crucial role in the export of agricultural products. In the short term, sales are expected to grow well due to increased domestic consumption in Q4 2024 and Q1 2025 as the Winter-Spring season begins.

Moreover, global urea prices are expected to continue rising, supported by India's bidding and escalating conflicts in the Middle East.

In terms of policy, the fertilizer sector benefits from the expected 5% VAT tax imposition. Previously, fertilizers were exempt from VAT, but companies could not deduct input VAT (such as for raw materials and chemicals). With the 5% VAT, companies will be able to deduct input VAT, reducing production costs and improving profit margins. Large producers like Dam Ca Mau (DCM) and Dam Phu My (DPM) will benefit the most due to their large-scale production and significant input VAT costs.

**Stock picks: DCM, DPM, BFC, DGC.**





## DISCLAIMER

The views expressed in this report accurately reflect personal views on securities codes or the issuer of the analyst(s) in charge of the preparation of the report. Investors should consider this report as reference and should not consider this report as securities investment consulting content for making decisions on investments and Investors shall be responsible for the investment decisions. Guotai Junan Securities (Vietnam) Corp. may not be responsible for the whole or any damages, or an event(s) considered as damage(s) incurred from or in relation to the act of using all or part of the information or opinions stated in this report.

The analyst(s) responsible for the preparation of this report receive(s) remuneration based upon various factors, including the quality and accuracy of the research, clients' feedbacks, competitive factors and the revenue of the company. Guotai Junan Securities (Vietnam) Corp. and/or its members and/or its General Director and/or its staffs may have positions in any securities mentioned in this report (or in any related investments).

The analyst(s) responsible for the preparation of this report endeavours to prepare the report based on information believed to be reliable at the time of publication. Guotai Junan Securities (Vietnam) Corp. makes no representations, warranties and covenants on the completeness and accuracy of the information. Opinions and estimates expressed in this report represent views of the analyst responsible for the preparation of the report at the date of publication only and shall not be considered as Guotai Junan Securities (Vietnam) Corp.'s views and may be subject to change without notice.

This report is provided, for information providing purposes only, to Investor including institutional investors and individual clients of Guotai Junan Securities (Vietnam) Corp. in Vietnam and overseas in accordance with laws and regulations explicit and related in the country where this report is distributed, and may not constitute an offer or any specified recommendations to buy, sell or holding securities in any jurisdiction. Opinions and recommendations expressed in this report are made without taking differences regarding goals, needs, strategies and specified situations of each and every Investor(s) into consideration. Investors acknowledge that there may be conflicts of interests affecting the objectiveness of this report.

The content of this report, including but not limited to this recommendation shall not be the basis for Investors or any third party to refer to with the aim to requiring Guotai Junan Securities (Vietnam) Corp. and/or the analyst responsible for the preparation of this report to perform any obligations towards Investors or the third party in relation to the investment decisions of Investors and/or the content of this report.

This report may not be copied, reproduced, published or redistributed by any person(s) for any purposes unless upon a written acceptance by a competent representative of Guotai Junan Securities (Vietnam) Corp. Please cite sources when quoting.





## GUOTAI JUNAN (VIETNAM) RESEARCH DEPARTMENT

### Vũ Quỳnh Như

Research Analyst

[nhuvq@gtjas.com.vn](mailto:nhuvq@gtjas.com.vn)

(024) 35.730.073- ext:702

### Ngô Diệu Linh

Research Analyst

[linhnd@gtjas.com.vn](mailto:linhnd@gtjas.com.vn)

(024) 35.730.073- ext:705

### Trịnh Khánh Linh

Research Analyst

[linhkt@gtjas.com.vn](mailto:linhkt@gtjas.com.vn)

(024) 35.730.073- ext:707

### Nguyễn Đức Bình

Senior Research Analyst

[binhnd@gtjas.com.vn](mailto:binhnd@gtjas.com.vn)

(024) 35.730.073- ext:704

### Nguyễn Kỳ Minh

Chief Economist

[minhmk@gtjas.com.vn](mailto:minhmk@gtjas.com.vn)

(024) 35.730.073- ext:706

### Trần Thị Hồng Nhung

Deputy Director

[nhungtth@gtjas.com.vn](mailto:nhungtth@gtjas.com.vn)

(024) 35.730.073- ext:703





CHỨNG KHOÁN GUOTAI JUNAN (VIỆT NAM)  
GUOTAI JUNAN SECURITIES (VIETNAM)

CONTACT	HANOI HEAD OFFICE	HCMC BRANCH
For advising: (024) 35.730.073	P9-10, 1 <sup>st</sup> floor, Charmvit Tower	3 <sup>rd</sup> floor, No.2 BIS, Công Trường Quốc Tế, Ward 6, District 3, HCMC
For placing order: (024) 35.779.999	Tel.: (024) 35.730.073	Tel.: (028) 38.239.966
Email: <a href="mailto:info@gtjas.com.vn">info@gtjas.com.vn</a> Website: <a href="http://www.gtjai.com.vn">www.gtjai.com.vn</a>	Fax: (024) 35.730.088	Fax: (028) 38.239.696

